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 Rehearses for Departure in January

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PARIS, TUESDAY, NOVEMBER 8, 1988

ESTABLISHED 1887

Once More, Seers Study The Lenin Tomb Line

By Philip Taubman
MOSCOW — For the small band of Russians and Westerners that specializes in the arcane science of Kremlinology, the annual gathering of the Soviet leadership atop Lenin's Tomb on Nov. 7 is usually the high point of a dismal year.
 Monday was no exception. As Mikhail S. Gorbachev led the Kremlin leadership onto the marble mausoleum to review the Red Square parade commemorating the anniversary of the 1917 Bolshevik Revolution, zoom lenses and binoculars scanned through the falling snow as Kremlinologists tracked who followed him, and in what order.
 The answer, most of all, might reveal who ranks second.
 Because the anniversary is the most solemn occasion of the year, and Communist Party protocol is at its peak, the entrance of the Politburo and the way the full members line up — there are 12 of them now — can provide crucial clues to who's in and who's out.
 The clues can also be maddeningly inconclusive, as Kremlinologists know all too well.
 But in the absence of any consistently reliable source of information about Kremlin politics, something that has changed hardly at all under Mr. Gorbachev, outsiders are left to sift through rumors and fragments of evidence. Given the vacuum of information, the lineup atop Lenin's Tomb is about as close as Kremlinologists get to a Rosetta stone.
 Monday, the 71st anniversary of See SOVIET, Page 8



Mikhail S. Gorbachev, center, waving at Red Square crowds Monday, flanked by Lev N. Zaikov, Moscow party leader, left, and Prime Minister Nikolai I. Ryzhkov during a military parade in Moscow marking the 71st anniversary of the Bolshevik Revolution.

Sakharov Warns of Anti-Reform Moves

By Gary Lee
BOSTON — The Soviet dissident Andrei D. Sakharov warned Monday that the Kremlin leadership was quietly passing major conservative decisions that contradicted the spirit of perestroika, or reconstruction, and were threatening to obstruct the entire reform campaign.
 Mr. Sakharov used his first press conference in the United States to combat an impression he felt was widespread among Westerners that the Soviet leader, Mikhail S. Gorbachev, had overcome opposition to his reforms and was now able to push ahead with his changes.
 "Perestroika is at a very sharp, very acute phase," Mr. Sakharov said. "The future course of our development is being decided. There is a very sharp discussion taking place at all levels at which decisions are being made."
 Mr. Sakharov's press conference took place on the second day of his two-week visit to the United States, his first time in the West. The visit is sponsored by the new Foundation for the Survival and Development of Humanity, which was founded in Moscow in January. Mr. Sakharov is a board member and an official Soviet delegate.
 During his hour-long presentation in Boston, Mr. Sakharov, 67, drew attention the recent measures that he said were undercutting the positive development of the perestroika drive. They include the following:
 • A new law restricting publishing and printing in the Soviet Union. Among other things, the law makes it a crime for a Soviet citizen to possess a Xerox machine or a personal computer with a printer.
 • New laws that enabled Mr. Gorbachev to become Soviet president and concentrate greater power in his own hands. In the view of Mr. Sakharov and other Moscow intellectuals, the concentration of power contradicts See REFORMS, Page 8

Candidates Scramble For Last-Minute Votes

Dukakis: 'This Race Is Very Tight'

Compiled by Our Staff From Dispatches
CLEVELAND — Governor Michael S. Dukakis of Massachusetts, campaigning around the clock, crossed much of the United States on Monday to implore voters to help him win a come-from-behind victory in the presidential election Tuesday.
 Arriving Monday in Ohio before sunrise, the Democratic candidate hoped his last-ditch personal appeal would help him win the state's 23 electoral votes.
 After the brief rally, Mr. Dukakis flew to St. Louis, where he told supporters, "They talk a lot about October surprises. Tomorrow we're going to have a November surprise. This race is very, very tight and it's getting tighter by the hour."
 But final surveys showed his Republican rival, Vice President George Bush, leading by four to 12 points nationwide and in more than 30 of the 50 states.
 The presidential candidates were not the only ones wending up their campaigns. There were 33 Senate seats and the entire 435-member House of Representatives being filled, and 12 states were electing governors.
 Democratic control of the Senate and House appeared secure, and the Democrats appeared likely to add to the 27-to-23 edge they have among governors.
 Thousands of other offices were at stake, and scores of initiatives were on the ballots, including 39 in California alone.
 A Harris Poll released Monday put the race at 50 percent for Mr. Bush to 46 percent for Mr. Dukakis.
 Other polls showed Mr. Dukakis trailing Mr. Bush by nine and 10 percentage points, after a weekend NBC News-Wall Street Journal poll showed that Mr. Dukakis had narrowed the gap to five.
 Mr. Dukakis, greeted at each stop by large crowds, continued the battle during the second day of a 48-hour final push that began Sunday morning.
 In the Cleveland suburb of Brook Park, Mr. Dukakis asked the audience in the United Auto Workers union hall: "Is Ohio going to let the pollsters and the pundits decide this election? Or are you going to send a message tomorrow that will be heard all around the country?"
 Mr. Dukakis began the marathon final stage of his campaign in Spokane, Washington, flying to Cleveland, to St. Louis and then back west to San Francisco.
 Aides were considering another 1,000-mile (1,600-kilometer) detour from San Francisco before a rally in Los Angeles. After Los Angeles, Mr. Dukakis was scheduled for a pre-dawn Election Day rally in Des Moines, Iowa, and a stop in New Jersey or Ohio before ending the campaign in Boston.
 Mr. Dukakis, seeking an issue that might raise last-minute doubts among Mr. Bush's less-committed supporters, taunted the vice president over his selection of Senator Dan Quayle of Indiana as his running mate. Mr. Dukakis called Mr. See DUKAKIS, Page 8



Dukakis Monday in Ohio.



Bush Monday in Michigan.

Bush: 'I've Never Felt Any Better'

By Associated Press
ASHLAND, Ohio — Vice President George Bush, in a hectic campaign swing aimed at bolstering his lead over Governor Michael S. Dukakis, said Monday that "the country's coming in" behind his candidacy as the race for the presidency neared the finish line.
 The Bush campaign mounted a last-minute television attack on Mr. Dukakis with a fierce five-minute advertisement criticizing the Massachusetts governor over his approach to issues ranging from crime to the environment.
 The Bush ad, coming amid a flurry of upbeat commercials Monday, summarizes the attacks the Republican candidate has been making against his Democratic opponent in ads and in speeches throughout the campaign.
 Sig Rogich, the vice president's advertising director, called the five-minute ad "a broad overview of everything that Michael Dukakis stands for."
 He denied that the advertisement was introduced in response to opinion polls showing Mr. Bush's lead to be narrowing, saying the ad had been "in the works for weeks."
 The ad features Massachusetts residents and officials complaining about Mr. Dukakis's handling of pollution in Boston Harbor, the state's prisoner furlough program and the Massachusetts economy, including taxes, employment and budget shortfalls. Mr. Bush does not appear in the ad.
 In addition to negative ads, the two presidential camps are airing sentimental advertisements featuring flags, children and old people.
 The candidates were to make their final appeals in half-hour nationally televised broadcasts on all three networks Monday night.
 The Dukakis program features the governor answering questions in a town-meeting setting and includes scenes of his family and his running mate, Senator Lloyd Bentsen of Texas.
 During the program, Mr. Dukakis urges Americans to "look in the mirror and ask yourself: Is George Bush on your side?"
 "I want to give every American a See BUSH, Page 8

At Least 600 Reported Dead in China Earthquake

By Daniel Southard
BEIJING — An earthquake and its aftershocks struck southwest China on Sunday and Monday, killing more than 600 people, a state-run radio station reported Monday.
 The China International Broadcasting Station said 36 tremors rocked a mountainous region of Yunnan province near the Burmese border Sunday and early Monday, causing heavy damage to homes in at least 10 towns.
 Xinhua news agency said the quake cut highways, destroyed most of the houses in two Yunnan counties, and damaged a number of buildings in 14 other counties.
 Xinhua said the provincial government mounted "a massive rescue effort," including an air drop of food, medicines, and tents.
 It said medical teams were sent into the quake's epicenter, located 390 kilometers (240 miles) southwest of the provincial capital of Kunming.
 The quake measured 7.6 on the Richter scale and was centered in Lancang County, which is the home of the Lahu tribal minority group.
 Xinhua said the government had re-established radio contact with the stricken areas and crews were working to repair roads.
 Officials reached by telephone in Kunming Monday seemed to be under orders not to discuss the earthquake damage with foreign reporters.
 In the past, China has been slow to report the full impact of natural disasters. It took years before the full story emerged of the devastation caused by a 1976 earthquake in the city of Tangshan in northeast China.
 The Tangshan quake killed 240,000 of the city's 1 million inhabitants, according to official reports in the mid-1980s.
 Earlier Monday, Xinhua reported a much lower death toll than that reported by the state-run radio. It gave a figure of at least 37 deaths and more than 100 injured.
 But Xinhua's own description of the extent of damage in the region suggested a much higher death toll.
 But Yunnan is one of China's most remote provinces. Its transportation and communications facilities are primitive. And the stricken area of the province is not easy to reach, even under normal circumstances.

General Shot In Lebanon

TEL AVIV (Reuters) — General Antoine Lahd, 61, commander of the pro-Israeli South Lebanon Army militia, was shot and wounded in an assassination attempt on Monday night, Israeli and Lebanese officials said.
 A spokesman for a Hafia hospital described the wounds as moderate. A militia spokesman said General Lahd was shot by a woman who was a family friend.

After Maldives: Focus On Aiding Tiny States

By Michael Richardson
SINGAPORE — Military intervention by India to crush the recent coup attempt in Maldives has revived interest in proposed security arrangements to protect dozens of microstates around the globe, officials and security experts said Monday.
 The raid Thursday on Maldives by about 400 foreign mercenaries underlined the vulnerability of countries with small populations, large areas and meager resources, few of which can afford to maintain adequate defense forces.
 Thirty-seven countries have populations of less than 500,000. Most are islands in the Pacific, the Caribbean or the Indian Ocean.
 "Insular microstates are now recognized as a potential source of stress in the international system," said Richard A. Herr, an Australian scholar who has studied the problems of small nations.
 The inability of these countries to protect themselves, he added, has "emerged as a serious matter of concern to larger members of the international community, which see the vulnerability of microstates as a risk to their own security."
 Many of these small nations, including Maldives, belong to the Commonwealth, which links Britain and 47 of its former colonies.
 Shridath S. Rampal, secretary-general of the Commonwealth, said that countries with populations of 250,000 or less could not be expected to defend themselves. He suggested that larger nations in the Commonwealth should be prepared to protect them from externally supported coups.
 "Small countries need some higher level of regional security," he said.
 Proposals to strengthen small states by increasing economic and security assistance have been discussed before by Commonwealth leaders, officials said, and are expected to come up at a Commonwealth meeting next year in Malaysia.
 Sir Anthony Parsons, a former head of the British delegation to the United Nations, said that small Commonwealth states should be able to request protection in a crisis from near- See COUPS, Page 8



Maldivian guards on Monday with a captured Sri Lankan mercenary.

Reagan, the Sunset Kid

By Maureen Dowd
NEW YORK Times Service
MESQUITE, TEXAS — Is there anyone else who would literally ride off into the sunset? Who would wave his Stetson, step behind a team of horses and trot off into the orange glow of the Texas horizon? No politician dares to be corny as Ronald Reagan does. Tom Loeffler, a Bush campaign official in Texas, praised the president in an opening prayer at a Republican rally Saturday as "the grandest cowboy of them all."
 When it was his turn, Mr. Reagan talked about "riding into the sunset in January," then got on a buckboard pulled by a pair of bays in a rodeo parade and did just that.
 "Let's see them do that in Taxachusetts," the smiling Mr. Reagan said of the parade. He reluctantly switched back to his limousine outside the arena.
 It is the End of the Trail, the Last Roundup, And Mr. Reagan, who acted in Westerns and later spun a political message rooted in a romanticized version of the Western frontier, has been playing his finale with relish.
 "Yes, America has saddled up and we're riding into the future," he said in his velvet baritone, as many in the rodeo audience nodded rapidly. "We're keeping a promise that is as old as this land we love and as big as the sky. We need you all to work; we need you to put on your spurs and to ride with us."
 He has been touring the country plugging his faithful companion, George Bush, and pilorying the "Doon-crats." Turning Reagan Democrats into Reagan Republicans has become an intense and personal crusade.
 There was a time when Mr. Reagan's approval ratings were flagging, damaged by stories of astrology charts and a disengaged and sometimes disoriented management style, and Bush campaign officials did not think he would be much of a factor in the race.
 There was also a time, after he gave an endorsement the media construed as tepid, when some Republicans worried how enthusiastically Mr. Reagan supported his vice president.
 No more. He has said he feels as strongly about getting Mr. Bush elected as he did about his own campaigns in 1980 and 1984.
 "I feel a little like I'm on the ballot myself this year," he tells audiences, advising them they are choosing not only a candidate, but a dream and a vision.
 With Reagan approval ratings soaring and with Senator Dan Quayle of Indiana seen by many as a drag on the Republican ticket, the See REAGAN, Page 8

General News

An open "back door" in a computer program allowed a "virus" to enter. Page 4.
 Ariel Sharon fervently believes he should serve again as Israel's defense minister. Page 2.
Arts/Letters
 As Prince Charles and Diana arrive in Paris, Suzy Menkes reports on the princess's favorite designer. Page 9.
Business/Finance
 Pillsbury will sell Burger King to help defend against a \$5.2 billion takeover bid from Grand Metropolitan. Page 11.

A Warsaw Bridge Is Symbol of Unmet Hopes and Unkept Promises

By Jackson Diehl
WASHINGTON Post Service
WARSAW — On June 17, Warsaw's newspapers trumpeted what should have been welcome news for the residents of this gray and crumbling capital: the completion of a much-delayed, three-year rebuilding project on the Pomiatowski Bridge, the main route over the Vistula River.
 For three long summers and winters, Warsaw drivers coped not only with the blockage of a major artery through the center of town but with the sad sight of one of their most familiar landmarks undergoing major surgery.
 Decorative turrets were covered with scaffolding; stone columns first dedicated in 1914 stood naked on the riverbank, stripped of the viaduct they used to support. Promises that the project would be finished by Christmas last year had melted away, as had pledges to open it in the spring.
 Then, as the Communist authorities desperately sought ways to stir public enthusiasm before municipal elections, a picture of the bridge appeared at the top of the morning newspaper Zycie Warszawy, together with a festive headline: "Pomiatowski Bridge — Like New." Inside, a story explained that the 640-meter (2,100-foot) bridge had been reinaugurated the previous day in a ceremony attended not only by the city's dignitaries but also by Zbigniew Messner, who was then prime minister.
 That was more than four months ago, and since then much has come and gone on the pages of the Warsaw press: strikes, a new prime minister, negotiations with the opposition, promises of new reforms.
 But today, just as in June, a driver who seeks to cross the Pomiatowski Bridge from central Warsaw will be confronted with an ugly revelation:
 The same bare columns are still standing on the same forlorn riverbank, supporting thin air.
 The dilapidated bridge, named for a prince who fought with valor in the Napoleonic wars, is but one of a host of failed or failing projects that have hung on the city like millstones. About 2.5 kilometers (1.5 miles) west of the Pomiatowski Bridge is a towering steel-and-glass skyscraper, the second tallest building in the city, which is unfinished more than a decade after its construction began.
 Another awkward, yellow-paned tower stands at the foot of one of Warsaw's grandest squares, abandoned well before the finishing stage in the 1970s. And in the southern half of the city, one whole major avenue and a host of once-bustling intersections are blocked and pitted by the city's most disruptive project, a nascent subway system.
 After five years of construction, the subway is rapidly becoming a trough of despair for those who live nearby. Every few months, newspapers report official statements of progress.
 Yet, even as the swath of the construction grows, long stretches of open trench appear no different to the untrained eye than they did one or two years ago.
 Something similar happened to the bridge. First built over the course of 10 years just after the turn of the century, the landmark has had a history as tumultuous as Poland's. Twice in 30 years it was destroyed by warring armies. Then, after twice being rebuilt by postwar Communist authorities, the 1980s found it near collapse again.
 Late last year, the authorities still insisted they might finish the bridge by the holiday season. But then the construction crews, citing weather conditions, decided to delay paving the bridge until spring. The authorities promised to inaugurate the bridge last April, then pushed the date back to June.
 By that time, it was clear that the viaduct connecting the main trunk of the bridge to central Warsaw would not be finished anywhere near schedule. But with a desperate need for good news, the authorities decided to make a show of inaugurating the bridge anyway, organizing the ceremony on June 17.
 The resulting surreal spectacle of the bare columns of a bridge declared finished towering over Warsaw's busy river parkway offers morbid delight to at least one prominent Warsaw resident, Tadeusz Konwicki, a novelist.
 In his 1979 comic novel about Warsaw under Communism, "A Minor Apocalypse," Mr. Konwicki portrays the Pomiatowski Bridge collapsing into the Vistula as government-sponsored demonstrators celebrate official economic achievements and average Poles look on indifferently.

Dow Jones	21.16
The Dollar	1.7778
DM	1.7998
Yen	124.55
FF	6.0678

Sharon Is Militant About Regaining Defense Minister's Post

By Jim Hoagland
Washington Post Service

JERUSALEM — For many Arabs and their advocates, the man who sits across the desk on this sunny, temperate day in Jerusalem is the devil incarnate.

The caricatures in the Arab press still show Ariel Sharon's hands dripping with blood, his face contorted with homicidal rage, his outstretched arm pointing the way to Israeli tanks rolling across Arab borders.

Repeatedly in Israel's brief history, he has taken on the dirty and dangerous jobs: cleaning out the Palestinian revolutionaries in the Gaza Strip, punching a hole through Egyptian armor to cross the Suez Canal in 1973, masterminding a significant expansion of Jewish settlements in the occupied West Bank during the Carter administration.

And when things have been quiet, as they were in 1982, Mr. Sharon has found ways to burnish his warlike image. He personally invaded Lebanon, driving his troops all the way to Beirut in an effort to destroy the Palestine Liberation Organization and anything that stood between him and that goal.

The result, although he discounts it, was a political disaster, for Israel and for Mr. Sharon.

He lost his job as defense minister and was sent into political exile. He has

stayed in the cabinet, but in jobs that give him no real influence on the questions of war and peace.

Given his way, Prime Minister Yitzhak Shamir would undoubtedly keep the controversial Mr. Sharon in limbo in the new government he is maneuvering to form.

But the situation created by the narrow advantage that the Likud bloc gained over the Labor Party in last week's Knesset elections has persuaded Mr. Sharon that it is time to end his exile and to seek his old job. Likud was founded by Mr. Sharon in 1973 and is now headed by Mr. Shamir.

Mr. Sharon is a pivotal figure in the intense negotiations between Likud and the small ultra-Orthodox religious parties and rightist extremists who hold the balance of power in the new Knesset, or parliament. The religious parties trust him; the far right would follow his lead.

The message, delivered in relaxed and frequently wry tones during an hour's conversation, is that Mr. Sharon is pushing hard to become defense minister again. "People should be in the posts where they can accomplish the most," he said matter-of-factly.

What he does best, Mr. Sharon thinks, is to put down disorders like those that have engulfed the West Bank and Gaza for 11 months. He outlines a Sharon Plan for dealing with the Arab *intifada*, or uprising.

It is one part force, one part political repression and two parts expansion of Israeli ownership of the West Bank. It is, in short, a Palestinian nightmare.

The West Bank and Gaza are ruled by the Defense Ministry, which issues or withholds permits for the most mundane civilian activities as well as handling internal security. Israeli soldiers have killed more than 300 Palestinians and arrested more than 20,000 others during the insurrection.

"We don't care much who is prime minister," one Palestinian activist said, "but the defense minister is really the king of the West Bank. He runs our lives or, if we are unlucky, our deaths."

Mr. Shamir is said by aides to be leaning strongly toward Moshe Arens, the former Israeli ambassador to Washington, for the defense portfolio. But as Mr. Sharon made clear, he will not surrender his claim to the job easily.

Still chafing at having been kept under wraps by Likud during most of the election campaign, Mr. Sharon now vents his criticisms of how the campaign against the *intifada* have been run by the outgoing Labor and Likud coalition.

The Labor leaders, Shimon Peres and Yitzhak Rabin, encouraged the Palestinian uprising by "inserting illusions in the hearts of the terrorist organizations," suggesting that Israel should consider a

territorial compromise with the Arabs, Mr. Sharon charged.

"Now, it will be very clear," he said, "that in every possible solution in the future, Israel will keep the security of that area in its hands and deploy its forces all over that area, where they will enjoy freedom of action."

He also indirectly criticized Mr. Rabin, the present defense minister, for extensive use of army reserves in the unsuccessful effort to stop the wave of protests and rioting in the territories.

Mr. Sharon advocated significantly reducing the force in the territories and basing it on special military and police units that would be trained to separate "the part of the population that is involved in the terrorism from the rest of the population that wants to live a normal life."

He said he had used such tactics successfully in 1970 in crushing a Palestinian revolt in Gaza. He rejected the notion, voiced by Mr. Rabin, that the current uprising has much broader political support.

To help put down the *intifada*, Mr. Sharon would seek changes in Israeli law to protect troops from being punished for their actions in the occupied territories and shut down Arab newspapers and "front organizations." He emphasized that these changes would be done in

accordance with "international law."

The political steps Mr. Sharon advocates to accompany a harsher security policy involve Israeli annexation of almost all of the "high controlling territory" on the ridges that dominate the Jordan Valley, while unilaterally imposing "autonomy" on the heavily populated Arab urban areas of the West Bank.

"There would be freedom of movement between these autonomy enclaves," he said. The areas would contain 70 percent of the Arab population of the West Bank.

Mr. Sharon also called for a stepped-up pace of building new Jewish settlements in the West Bank under the next government.

"We still have to add about 30 settlements to be able to control the high controlling terrain and strategic road junctions," he said. "That will take years, however."

Asked if he would take any other post in the government, Mr. Sharon declined to answer directly.

"In more normal times, I perhaps would have preferred to be the minister of finance or the foreign minister," he said. "I could have done those jobs. But with the security problems Israel has and at a time of deterioration in our defense capability, I believe that at the present time I have to deal with defense."

WORLD BRIEFS

British Civil Servants Go on Strike

LONDON (AP) — Tens of thousands of civil servants in government offices, ports and prisons went on strike Monday to protest the dismissal of five labor union members at Britain's intelligence-gathering headquarters.

A spokesman for the Council of Civil Service Unions, an umbrella body for Britain's eight civil service unions, estimated that 200,000 workers took part in the one-day stoppage. Dozens of protest rallies were mounted.

The five men were dismissed for remaining in their trade union despite a ban on union membership at the Government Communications Headquarters in Cheltenham, southwest England, in 1984. The facility intercepts radio signals and other communications from the Soviet Union and its allies, and the government maintains its work is too sensitive to risk disruption by strikes.

Party Press Assails Walesa for Threat

WARSAW (AP) — The official media attacked Lech Walesa on Monday over the Solidarity leader's threat to call a nationwide strike unless authorities suspended a decision to close the Lenin Shipyard in Gdansk.

An editorial in the Communist Party daily *Trybuna Ludu* said, "In the past, it was alleged that when the authorities lacked arguments, they resorted to repression. Today, when Lech Walesa lacks arguments, he leads the strike campaign."

The commentary was unusual because the official press had avoided criticizing Mr. Walesa by name while the government and the opposition prepared to hold talks on Poland's future. But the proposed talks have been stalled, and the government and the opposition appear to be on a collision course over the scheduled Dec. 1 closing of the shipyard.

A Philippine Rebel Leader Is Seized

MANILA (AP) — The third-ranking Communist rebel leader has been captured at Manila airport, where he may have been planning to board a flight for Los Angeles under an assumed name, officials announced Monday.

President Corason C. Aquino said the capture Sunday of Ignacio Capenson, whom the military described as deputy secretary-general of the Communist Party of the Philippines, showed that her government was winning its struggle against the 19-year-long Marxist insurgency.

Mr. Capenson's wife, Cresteta, was arrested Monday during a raid on the couple's suburban Quezon City home in which the police seized weapons, a personal computer and bank books for accounts totaling \$75,000, officials said.

12 Convicts Die in Colombo Jail Riot

COLOMBO (Reuters) — Twelve prisoners died Monday when Sri Lankan police commandos stormed a prison whose inmates had briefly seized it, police and hospital sources said.

Ten of the prisoners died as about 20 commandos with guns blazing regained control of Welikade Prison in Colombo. Two other prisoners died in hospital. About 25 other prisoners were wounded, and 10 were in serious condition, hospital sources said.

Prison employees said the commandos surprised the 1,500 rioting inmates by getting in at the back of the prison. "We heard shots and after 30 minutes it was apparently over," an employee said. "The prisoners were on their own in the compound for about two hours before that. Senior military officials and the prison superintendent declined to comment on the incident."

Arab Group Says It May Free Girls

NICOSIA (Reuters) — The Palestinian Fatah Revolutionary Council said Monday that it was considering the release two young girls taken hostage a year ago from a yacht in the eastern Mediterranean.

The two girls, Marie-Laure Valente, 5, and her sister Virginie, 6, were among eight Belgian and French citizens seized by the Palestinian group on their boat off the Israeli-occupied Gaza Strip. The group, which is led by Abu Nidal, asserted that the captives were Jewish spies. Families and friends of the hostages described them as Roman Catholics.

The group offered last December to release the two girls but the move was opposed by their mother, Jacqueline Valente, who is also a hostage. Mrs. Valente said she refused to let the girls be taken from her.

U.S. Rocket Launches Secret Payload

VANDENBERG AIR FORCE BASE, California (AP) — A Titan-34D rocket was launched with a secret cargo during the weekend, and an expert said it probably carried a pair of military communication satellites into orbit.

As usual for military space flights, the U.S. Air Force did not announce the Sunday morning launching in advance and declined to identify its payload.

John Pike, a space policy expert for the Washington-based Federation of American Scientists, said the rocket most likely carried two Satellite Data System satellites. He said these were used for military communications and provided "a way for the president to stay in touch" with U.S. nuclear forces, giving bombers and silo-based crews that operate missiles the "go code" to launch nuclear warheads.

TRAVEL UPDATE

New Airline Takes Off in West Berlin

BERLIN (Reuters) — A new Franco-German airline linking West Berlin with West German cities began service Monday with an inaugural flight to Frankfurt.

Euroberlin France, owned jointly by Air France and Lufthansa, received approval to operate from the three Western powers administering West Berlin on Sunday after weeks of negotiations, a spokesman at the French Embassy in Bonn said.

Under an agreement reached in June, Euroberlin will provide 105 flights a week between West Berlin and Frankfurt, Munich and Stuttgart. It plans to add flights to Cologne later.

Weekly air service between Singapore and Warsaw will be launched Thursday by the Polish national air carrier, LOT, aviation authorities in Singapore announced. (AP)

Uganda Airlines suspended all services for one week on Monday. A spokesman said the company, which lost a Boeing 707 in a crash in Rome last month, was sending its two remaining aircraft abroad for maintenance and repairs. (Reuters)

Switch Error Derails Train, Killing 9 in Eastern France

EPERNAY, France — An express train switched onto the wrong track and rammed into a maintenance vehicle in heavy fog here Monday, killing nine workers on the line.

A spokesman for the French national railroad, SNCF, said one passenger was seriously injured in the crash and nine others were hurt.

It was the fourth fatal train accident in France in just over four months, bringing the death toll on the railroads so far this year to 69, with more than 180 injured.

Rescue services said the Luxembourg-to-Paris express with 400 passengers on board crashed into a line-inspection wagon on a service track at the village station of Ay, near Epernay in eastern France.

The locomotive and eight of the train's 11 coaches jumped the rails at an estimated speed of 50 kilometers per hour (30 mph).

The train was supposed to bypass Ay station, where work was being carried out on the main line, but an unexplained switching error put it on the wrong track, a spokesman for the SNCF at Reims said.

"The train was switched for reasons we don't yet know onto a service track at Ay station where it struck a vehicle used for carrying men and material for line-repair work," the spokesman said.

One passenger told French radio: "I was in the fourth carriage and there was a hard jolt and everyone knew right away it was derailing. Bags were flying, people were all over the place."

In one of the worst years on record for French railroads, seven trains have been involved in accidents in 1988, including two of the trains *a grande vitesse*, or high-speed expresses.

Israel Election System at Issue

JERUSALEM — President Chaim Herzog urged the two major Israeli parties Monday to form a temporary unity government to revise an electoral system that often gives small religious parties the bal-

ance of power, politicians said.

But after Mr. Herzog made the proposal, officials from both the rightist Likud bloc and center-left Labor party said such a government was not realistic and pledged to continue efforts to form narrower-based coalitions.

While the parties debated who should lead the next government, a Palestinian stabbed to death an Israeli soldier on the occupied West Bank, and a soldier who witnessed the attack shot and killed the Arab, the army said.

A Likud member of parliament, Ronnie Milo, said he was "definitely optimistic" that if the president called on Prime Minister Yitzhak Shamir to form a government, Mr. Shamir would do so "quickly."

By law, Mr. Herzog must designate the candidate with the broadest support in parliament to form the government. He is to consult all the parties this week before making a decision.

"We recommended to the president to call on Shimon Peres to form the government," said Uzi Baram, head of the Labor delegation that met with Mr. Herzog.

He said he told Mr. Herzog that Mr. Peres headed a larger bloc in the Knesset, or parliament, than Mr. Shamir.

Labor and small leftist parties won 49 of 120 seats in the Israeli parliament in the Nov. 1 election.

Likud and rightist parties won 47 seats but were favored to form the government with the help of right-leaning religious parties that won 18 seats and hold the balance of power.

Mr. Baram said he opposed renewing the national unity government in which Labor and Likud shared power for the past four years. He said a temporary coalition to change the election system was a positive idea, but he said he doubted that Likud would accept it.

Mr. Herzog, a strong advocate of changing Israel's proportional representation voting system, said he had received many letters from the

public appealing for a broad Likud-Labor coalition to revise the electoral system.

Labor and Likud were unable to agree on changes in the system during their coalition. Under the present system, parties need only 1 percent of the vote to win a seat in parliament.

Some politicians have joined Mr. Herzog in pressing for a broad coalition and electoral changes, but religious parties want concessions on Jewish observances and want cabinet posts in return for supporting a government headed by Mr. Shamir or by Mr. Peres.

The ultraorthodox parties said they had not yet decided which party to support and asked the president to postpone their meetings for three days.

Several Labor Party members, including Mr. Baram, have urged Mr. Peres to sit in opposition rather than succumb to the religious parties' demands, but others said they supported a coalition that would back Labor's approach for Middle East peace.



Israeli soldiers collecting dirt on Monday stained with the blood of an Israeli soldier. In Jewish practice, blood is buried with the body.

Greek Aide Resigns in Banker Case

ATHENS — The minister of public order, Anastasios Sefiotis, resigned Monday after a Greek-American publishing and banking magnate facing fraud charges escaped police surveillance and apparently fled the country.

Prime Minister Andreas Papandreu accepted the resignation and opposition calls for the government to step down over its alleged illegal dealings with the man.

The incident is the latest development in a scandal involving the government, which has come under heavy criticism for its ties with the businessman, George Koskotas.

The leader of the opposition New Democracy Party, Constantinos Mitsotakis, accused the Socialist government of facilitating Mr. Koskotas's escape to avoid further revelations about his alleged financial transactions with members of Mr. Papandreu's party.

Mr. Koskotas faces prosecution on charges that include fraud and attempting to blackmail the government. He is accused of having forged documents of two big U.S. investment firms, Merrill Lynch and Irving Trust, to acquire control of a Greek bank, the Bank of Crete, and of then using depositors' money to set up a financial empire.

Pending the investigations, Mr. Koskotas had been ordered to remain in the country. The police said he was believed to have fled late Saturday aboard a yacht, headed for Turkey or Italy.

According to the indictment, Mr. Koskotas attempted last month to use a forged document to blackmail the government into dropping charges against him. The document alleged that three government officials, including the prime minister's son, were on his payroll. The three sued Mr. Koskotas for forgery, blackmail and defamation.

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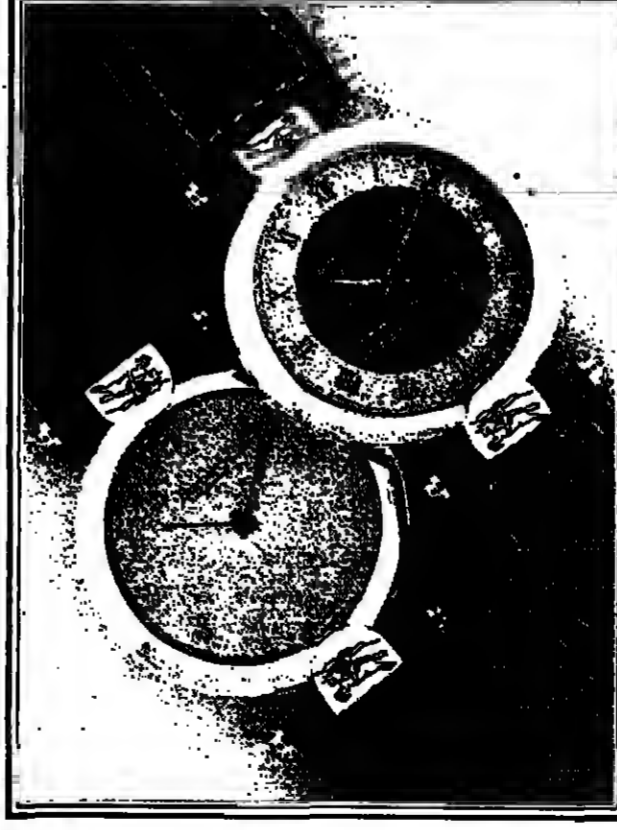
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10 11 12 13 14 15 16 17	10 11 12 13 14 15 16 17	10 11 12 13 14 15 16 17
18 19 20 21 22 23 24 25	18 19 20 21 22 23 24 25	18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33	26 27 28 29 30 31 32 33	26 27 28 29 30 31 32 33
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42 43 44 45 46 47 48 49	42 43 44 45 46 47 48 49	42 43 44 45 46 47 48 49
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THE AMERICAN ELECTIONS: On the backroads with one of the most exposed, yet invisible vice presidential candidates.

THE HUSTINGS

No Clear Pattern Seen in Gay Vote

WASHINGTON (WP) — Stephen Smith, a congressional lobbyist for gay rights issues, has watched as almost every major gay political organization supported Michael S. Dukakis for president. But Mr. Smith said this did not mean unanimity among the millions of homosexuals in the United States.

"What people see is the gay leadership, which is solidly Democratic," said Mr. Smith, legislative counsel for the Human Rights Campaign Fund, a political action committee. But in an "average gay bar in Northwest Washington," he said, patrons are likely to split between Mr. Dukakis and the Republican nominee, George Bush. "There's a misperception that being gay makes people Democrats," he said.

According to gay leaders, the vast majority of gay political groups and organizations around the United States support Mr. Dukakis. But the gay leaders acknowledge uncertainty about how nonactivist homosexuals will vote.

Eric Rosenthal, political director of the Human Rights Campaign Fund, said that while he agreed with liberal gay activists that the White House and Vice President Bush lacked Mr. Dukakis's sense of urgency about the AIDS epidemic and gay rights, the activist groups did not necessarily reflect the views of "a vast hidden majority of gays and lesbians."

He says that the views of such people, many of whom keep their homosexuality a secret, "go across the spectrum of American political ideas" and are not solidly in Mr. Dukakis's camp.



Senator Robert C. Byrd

Democrats Vie for Top Senate Post

WASHINGTON — While the rest of the United States is preoccupied with the presidential election, Senate Democrats have been busy figuring the odds on an election of their own: the three-way race to succeed the Senate majority leader, Robert C. Byrd of West Virginia.

Senators Daniel K. Inouye of Hawaii, J. Bennett Johnston of Louisiana and George J. Mitchell of Maine are vying for the chamber's party leadership post, which would take on even greater importance if the Republicans won the White House. The Democrats are expected to retain control of the Senate in any case.

While each of the Senate candidates for Democratic leadership continues to express confidence that he will be the victor in secret balloting Nov. 29, Mr. Johnston may have reason to be a little more confident than his two rivals.

Late last week, he picked up the endorsement of the party's vice-presidential contender, Senator Lloyd Bentsen of Texas.

Mr. Johnston's supporters say that no matter which party captures the White House, Senate Democrats should shore up their battered Southern flank by giving the leader's job to a son of Dixie.

The Capitol Hill grapevine has been buzzing with rumors that Mr. Inouye will pull out of the race and support Mr. Johnston, but aides to both senators vehemently deny that such a deal is afoot.

Talk of a "Southern strategy" has also fueled rumors about a possible new role for Mr. Bentsen in the national Democratic Party hierarchy if he is not elected vice president on Tuesday. It would make him titular head of the party while allowing him to maintain his chairmanship of the Senate Finance Committee.

Quayle's Campaign Is Out of Spotlight

He Stumps Mainly in the Hinterland

By Richard L. Berke

New York Times Service

WASHINGTON — Senator Dan Quayle, the Republican vice presidential nominee, stumped Sunday in Virginia, one of his party's safest states, while his Democratic counterpart, Senator Lloyd Bentsen, made his case before millions on two nationally televised interview programs.

Mr. Quayle does not always campaign in safe states. As he observed sarcastically Sunday morning, he also visits strong Democratic areas.

"Yeah," he told reporters traveling with him, "we're in safe states for Republicans like West Virginia and Maryland and states like that. We're going back to Maryland, too. We're very versatile. Very flexible. We go to good ones, bad ones, everything. Wherever they say."

But he does concentrate in smaller cities and towns and campaigns in a way that attracts almost no national attention. To the American public, Mr. Quayle has been one of the most exposed, yet invisible vice presidential candidates in modern times.

Mr. Bentsen was interviewed Sunday on both the NBC and CBS television networks. While Mr. Quayle was touring Virginia's historic Berkeley plantation and attending services at a Baptist Church in Richmond, Virginia, the Bush-Quayle ticket was represented on CBS by Vice President George Bush's wife, Barbara, and two of their children, Jeb and Dorothy.

From the moment in August when Mr. Bush made his choice for a running mate, the Indiana Republican's story blanketed the na-

tion: He was castigated for his national guard record, for playing too much golf, even for being intellectually unsuited to be vice president.

To counter the criticism, and to lessen the drag on the Republican ticket, Mr. Bush's aides have used a simple strategy throughout the campaign: Act as if Mr. Quayle did not exist.

"He's under house arrest," said Richard Vignerie, a conservative political consultant. "The Democrats wanted to make Quayle the major issue, but they can't find him."

Jeff Fishel, a professor of government at the American University in Washington, said the Republicans' motives were quite obvious: "Out of sight, out of mind is the hope."

Mr. Quayle has not appeared on a network interview show since August. Mr. Bush rarely mentions his name, and has stumped with him only twice, most recently Sept. 25 in Jackson, Tennessee.

Mr. Quayle rarely campaigns in big cities with major television markets. Since the weeks following the Republican National Convention, he has not delivered any major speeches or campaign pronouncements and devoted much of his time to hashing Governor Michael S. Dukakis, the Democratic presidential nominee.

The disappearance of Mr. Quayle is apparent on a smaller scale, too. Call up a local Bush-Quayle office and there is a good chance the telephone will be answered "Bush headquarters."

Many Republican bumper stickers do not include Mr. Quayle's name. In fact, the most attention given Mr. Quayle comes from Mr. Dukakis and Mr. Bentsen.



Senator Dan Quayle and his wife, Marilyn, after attending church services in Virginia.

The Dukakis campaign is nationally televising a commercial that highlights an exchange in the vice presidential debate in which Mr. Bentsen turned to his rival and said: "Senator, you're no Jack Kennedy." At the end, the words "President Quayle?" flash on the screen.

Mr. Quayle has not been featured in any Republican spots.

That Mr. Quayle has vanished from center stage is all the more obvious because Mr. Bentsen — who, according to many polls, is more popular than the other three contenders on the national tickets — is waging one of the highest profile campaigns of a vice presidential nominee.

So where, precisely, has Mr. Quayle been?

Mostly he has traveled to small towns where local reporters sometimes are thrilled to have the opportunity to interview a vice presidential candidate and seldom pose hardball questions.

The Quayle campaign's roster of

campaign stops looks like a guide to the back roads of American politics: Kankakee, Illinois; Bismarck, North Dakota; Newman, Georgia; Appleton, Wisconsin; Napoleon, Ohio; Van Wert, Ohio; Stillwater, Oklahoma; Irvin, California; Zanesville, Ohio; and Jeffersonville, Kentucky.

Republican aides rushed to Mr. Quayle's defense Sunday, insisting that he was not being kept under wraps. Mark Goodin, a Bush spokesman, said it was a "phony-bulldozer argument" that Mr. Quayle was hiding.

In past presidential campaigns, running mates have usually drawn scant attention. But when there have been unpopular choices — like Richard Nixon in 1952 and Spiro Agnew in 1968 — those candidates battled the criticism on center stage.

This year, even Mr. Quayle's spokesman, Jeff Nesbit, acknowledges that there is a negative side to keeping his boss in the shadows:

He can't respond to the Democrats' attacks.

"He would have liked to have defended himself," Mr. Nesbit said. "But that's not how you run a campaign. Dan Quayle did what he was supposed to do in this election."

Advertisement for Nantux Hotel and Atrium Hotel.



Advertisement for Palace Hotel Gstaad Switzerland.

Gun Scare Disrupts Rally for Bush

LOS ANGELES (AP) — A man was arrested at a rally for George Bush when he dropped a starter pistol, frightening observers who shouted "There's a gun! There's a gun!"

The police and witnesses said John A. Jimot, 40, of Los Angeles, was about 150 feet (45 meters) away from the vice president, who was addressing a suburban Los Angeles crowd on gun control, when he dropped the pistol. Mr. Jimot fled as bystanders yelled that he had a weapon. The police arrested him moments later and charged him under a federal law against interfering with government business.

"I will not take away your guns," Mr. Bush said in his speech Sunday. There was no indication he noticed the incident. The police said the gun, of a type generally used at track meets, fired only blanks.

The Home Crowd Is for Him, Sort Of

BOSTON (AFP) — Michael S. Dukakis could breathe a small sigh of relief after a poll cast him as a sure winner in his home state of Massachusetts. But it was little consolation. The same people who said they would vote for him said they thought he would lose nationwide.

A poll by the Boston Globe showed Mr. Dukakis with a 14-point lead over George Bush for the state's 13 electoral votes, up from an eight-point lead in September.

However, 65 percent of those polled believed that Mr. Bush would win the election. Only 22 percent believed Mr. Dukakis would win.

Californians Focus on AIDS Measure

LOS ANGELES (NYT) — A ballot measure that could carry sweeping national implications in the fight against AIDS has moved to the forefront in the final days of the election campaign in California.

The measure would compel all people testing positive for the AIDS virus to be reported to the state and to disclose the identities of their sexual partners so that they could be notified. The measure drew only modest attention until about a week ago when Governor George Deukmejian, a Republican, unexpectedly endorsed it. The result has been to galvanize the opposition.

Three members of the official state AIDS Advisory Committee resigned in protest, gay groups rallied, the presidents of four major California universities called for the measure's defeat and corporations like Levi Strauss Associates Inc. and Pacific Telesis Group renewed their opposition.

Polls have fluctuated widely, but the fight over the measure appeared close. Opponents say identifying everyone infected with the virus would serve little purpose since there is no treatment and it could jeopardize employment for those who would test positive.

Democrats Abroad, Republicans Abroad and the U.S. Information Service will be host of a "Who's the President?" breakfast at 5:30 A.M. Wednesday at the Kurhaus Hotel in The Hague. (IHT)

Norman Newhouse, Newspaper Executive, Dies

New York Times Service

NEW YORK — Norman N. Newhouse, 82, a senior executive with the Newhouse newspaper chain who helped his brothers build it into one of the largest U.S. communications conglomerates, died Monday at his home in New Orleans after a long illness.

Mr. Newhouse was diagnosed as having leukemia in 1971, and was told that he had five years to live. But he was active in the family-owned company until a few months ago.

Mr. Newhouse was an old-style newspaperman who liked to arrive at his desk by 6 A.M. He had been based in New Orleans for the past 21 years, overseeing The Times-Picayune, along with newspapers in Cleveland, Alabama and Mississippi. Before going to New Orleans, Mr. Newhouse had been based in New York.

Like his brothers, the late Samuel I. Newhouse and Theodore Newhouse, Norman Newhouse did not have a formal job title.

The Newhouse holdings include

26 newspapers: Condé Nast Publications, which includes Vogue, Vanity Fair, GQ and the New Yorker; Parade magazine; the Random House book publishing group, which includes Alfred A. Knopf; and a large cable television operation.

Norman Newhouse spent his entire career in newspapers, where the family-owned business began.

Other deaths: John Joseph Lindsay, 67, the Senate reporter for Newsweek

magazine, of cancer Wednesday at his home in Washington.

A.R. Nelson, 76, a former managing editor of the Arkansas Gazette who supervised the Pulitzer Prize-winning coverage of the 1957 desegregation of Central High School in Little Rock, Sunday, in North Little Rock.

Admiral Cato D. Glover, 91, a pioneer naval aviator who commanded the aircraft carrier Enterprise in heavy combat in the Pacific in World War II, after a brief illness Saturday in Navesink, New Jersey.

Secrets of Air Force

BASE, California (AP) — Cargo during the weekend of military communications

the U.S. Air Force did not advance and declined to discuss the Washington-based

most likely carried the were used for military one resident to stay in touch in Ho-based crews that operate

UPDATE

Off in West Be Franco-German airline had in service Monday with air

by Air France and the three Western powers talks of negotiations, a spokesman

Jane, Euroberlin will provide Frankfurt, Munich and other

spore and Warsaw will be carrier, LOT, aviation

prices for one week to the lost a Boeing 707 in a crash landing aircraft abroad

Derails Train

at an estimated speed of 100 mph

The train was supposed to pass Ay station, where it was being carried out on the but an unexplained

put it on the wrong track. The man for the SNCF at the

"The train was on the wrong track at Ay station, struck a vehicle used for men and material for work," the spokesman

One passenger told the radio: "I was in the front and there was a hard impact and one knew right away it was a crash. Bags were flying all over the place."

In one of the worst records for French trains have been overturned in 1983, including trains of granite

speed expresses

Presidential Election and Mourning

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Large advertisement for Marlboro cigarettes featuring a cowboy on a horse and Marlboro cigarette packs.

Ex-Haiti Officer Dies Mysteriously



Colonel Jean-Claude Paul

Computed by Our Staff From Dispatches
PORT-AU-PRINCE, Haiti — Colonel Jean-Claude Paul, the dismissed commander of Haiti's most feared military unit who was wanted in the United States on narcotics charges, has died in what a police spokesman said Monday was a suspected poisoning.

Colonel Paul was seized by violent convulsions and died Sunday afternoon after eating soup at his luxurious home on the outskirts Port-au-Prince, radio stations said. He was 49.

A family friend, who asked not to be identified, said the former officer's maid and gardener were detained for questioning by police. In addition, Colonel Paul's former wife was taken to a police station for protection because of fear of reprisal by his relatives, the friend said.

Colonel Paul, who was indicted by a federal grand jury in Miami in March on a charge of conspiring to import 220 pounds (100 kilograms) of cocaine into the United States, was stripped of his command after a revolt by noncommissioned officers on Sept. 17 overthrew Haiti's military leader, Lieutenant General Henri Namphy, and replaced him with Lieutenant General Prosper Avril.

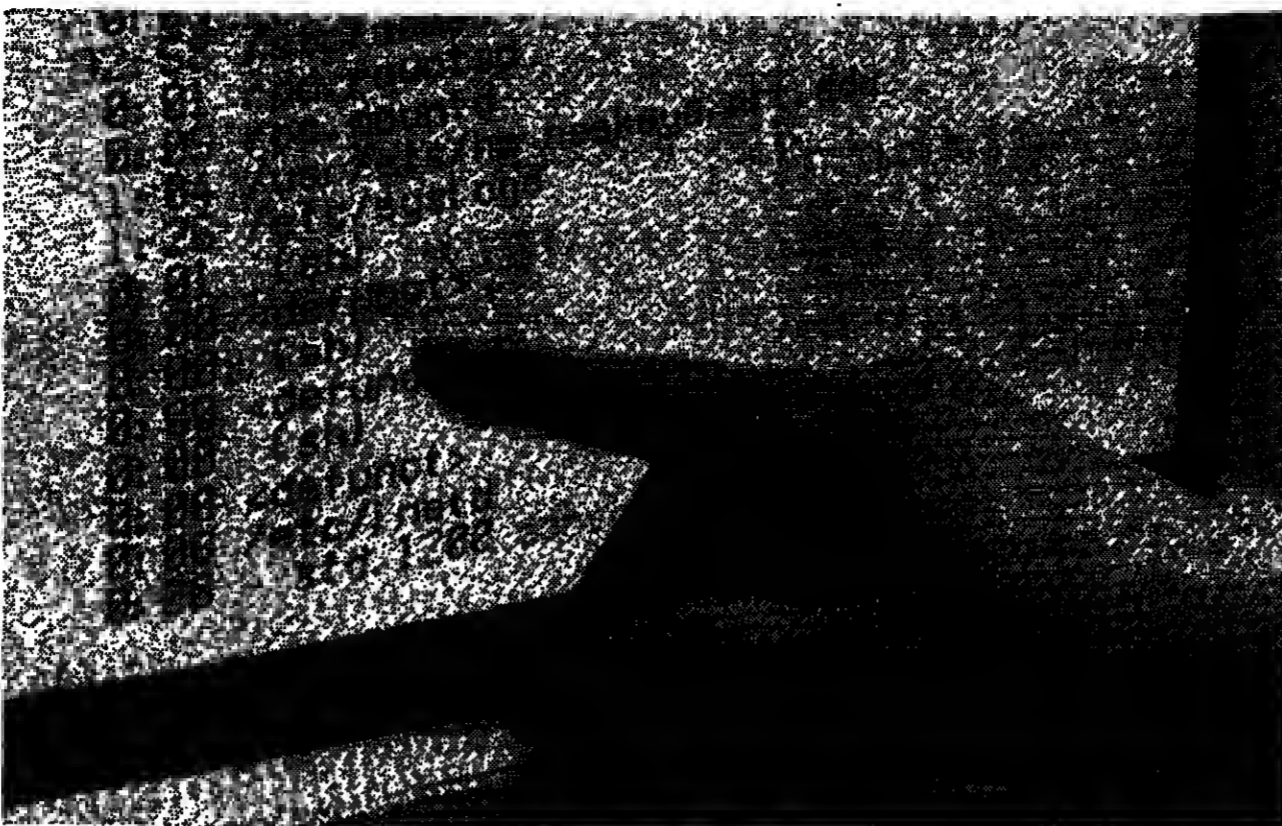
General Avril, reportedly concerned that Colonel Paul would turn against him, took away the colonel's commission and said last month that he planned to close the barracks of his army unit, the Jean-Jacques Dessalines Battalion.

The unit has the reputation of being the most brutal in Haiti's 7,000-man army, and is widely rumored to be linked with the Tonton Macoutes, the hated private army of the Duvalier family dictatorship. The federal grand jury in Miami was told that 70 percent of Colonel Paul's troops were involved in drug trafficking.

Members of the Dessalines Battalion also are thought to be involved in the violence that has thwarted moves to give Haiti democracy. The violence included attacks on polling stations that forced authorities to cancel general elections last November. At least 34 persons died in the attacks.

Colonel Paul was indirectly involved in the fall of the civilian government in June. General Namphy, then the army chief, tried to reassign Colonel Paul to an administrative post, but he refused to be moved. The civilian president, Leslie F. Manigat, elected under army auspices in January, took Colonel Paul's side. General Namphy then dismissed Mr. Manigat, accusing him of meddling in army affairs.

(AP, Reuters, AFP)



On a computer at MIT, a school official indicating three computer files named (sh), the name given to the "virus" by its author.

Computer 'Virus': In by the Back Door

By John Markoff

New York Times Service

NEW YORK — The weakness that allowed one of the most powerful computer networks in the United States to be jammed last week resulted from one of the most basic and common weaknesses in any system: human forgetfulness.

The programmer who designed the network's electronic mail program, instructions controlling the flow of electronic messages among thousands of computers around the country, deliberately left a secret "back door" so that he himself could easily gain access to the project he was working on.

Once his job was complete, he simply forgot to close the "door" he originally put in place to allow him to adjust the program.

It remained open for several years, until Robert T. Morris Jr., a graduate computer student at Cornell University, discovered it and used it to let loose the "virus" program that ultimately paralyzed more than 6,000 computers last Wednesday and Thursday.

This is one of several new pieces of information that came to light Sunday from experts seeking to unravel the events that led to what is being called the worst computer virus attack in U.S. history.

Friends of the young computer expert, including Paul Graham, a computer science graduate student at Harvard University, said the program was first disseminated from a computer at Massachusetts

Institute of Technology's artificial intelligence laboratory while its author, using remote control, sat at his computer at Cornell in Ithaca, New York.

The remote control feature, the ability for someone to use a computer elsewhere, is one of the most useful characteristics of Mr. Morris's target, Arpanet, a Department

of Defense computer network that connects thousands of computers at corporate research centers, universities and military facilities.

Mr. Morris's program only affected computers on the Unix operating system developed at the University of California at Berkeley.

Mr. Graham said that the Morris virus program also had a mechanism that was intended to conceal its point of origin further. All copies that the program made of itself were to send messages regularly identifying their locations to a computer at the University of California at Berkeley, which would imply that this was where the virus program originated.

Mr. Morris left for dinner immediately after letting the program loose in the network, intending to

go to bed afterward, friends said. However, after eating, he could not resist returning to his computer to determine the progress of his program, which had been intended to live secretly in the Arpanet.

Friends said that to his horror he found that because of a design error the program had reproduced itself so widely that it had already

overloaded the network, and he himself had trouble gaining access to remote computers so as to monitor or stop the program's progress.

Mr. Morris then telephoned another friend, at Harvard's Aiken Laboratory, and asked him to send out an alert over the Arpanet along with instructions on how to disable the virus. That person sent a terse message in technical language explaining how to stop the virus from spreading but ending with the comment: "Hope this helps, but more, I hope it is a hoax."

Unfortunately, the message went to an obscure electronic bulletin board; in any case, the network was by then so overloaded that few computer sites received it.

Mr. Morris's father, Robert T. Morris Sr., is one of the leading

U.S. computer security experts and is the chief scientist at the National Computer Security Center, the division of the National Security Agency that focuses on computer security.

Mr. Graham, who has known the younger Morris for several years, compared his exploit with that of Mathias Rust, the young West German who flew a light plane through Soviet air defenses in May 1987 and landed in Moscow.

"It's as if Mathias Rust had not just flown into Red Square, but built himself a Stealth bomber by hand and then flown into Red Square," he said.

The programming stunt is now under investigation by federal authorities, but it is not clear whether Mr. Morris will be charged with violating any of the computer-crime statutes that have been passed in recent years. No one has been convicted for precisely the type of offense apparently committed by Mr. Morris, computer security experts say.

Although federal officials say the virus did not threaten classified military computer systems, some government officials feel that such systems are vulnerable and that more needs to be done to guard against intrusion. They say that someone with Mr. Morris's skill could do great damage if so inclined, destroying data, sending false commands or immobilizing thousands of computers at critical times.

'It's as if Mathias Rust had built himself a Stealth bomber by hand and then flown into Red Square.'

Paul Graham, a friend of the author of the "virus."

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سكزامن الأصل

Koreans Vilifying Ex-President Chun

Demands for His Arrest Intensify

By Susan Chira
New York Times Service

SEOUL — From students to businessmen to politicians, the people of South Korea are turning angrily, sometimes violently, against the former president, Chun Doo Hwan.

Less than a year after he left office, Mr. Chun, who ruled as an aloof and widely feared autocrat, remains the central issue in Korean domestic politics. No longer can Mr. Chun shape his country's fate; the nation instead is wrestling with his.

Students across South Korea have been demonstrating to call for Mr. Chun's arrest on charges of corruption and human-rights violations. For the first time since widespread protests forced Mr. Chun to agree to democratic changes in June 1987, the students have drawn broad support, culminating in nationwide demonstrations Saturday in which crowds cheered students as they fought riot policemen.

Seoul was quiet Sunday, and families strolled in the autumn sunshine down clean streets that on Saturday were littered with broken glass and rocks.

The protests, according to Western diplomats and Korean commentators, poses no immediate threat to the government of President Roh Tae Woo, a longtime political associate and army colleague of Mr. Chun. But public indignation is mounting over new accounts of corruption and brutality in Mr. Chun's tenure, and Mr. Chun's name still evokes passions, even among well-dressed businessmen who deplore student violence but support their cause.

"All the good work he has done in the past had dissolved into air," said Kim Duk Soo, 50, a businessman whose tolerance of Mr. Chun turned to disgust as he watched parliamentary investigations into accusations of corruption, broadcast live for the first time on Korean television. "Now I feel he went too far — the only thing left to him is to apologize to the people."

Parliamentary investigations and aggressive reporting by a newly unfettered press have made public new accusations of corruption and brutality involving Mr. Chun's relatives or associates.

Witnesses have testified about being forced to give millions of dollars in donations to the Ilhac Foundation, which critics assert was to serve as a power base for Mr. Chun after he left office.

Investigators are looking into accusations that Mr. Chun's wife, Lee Soon Ja, embezzled money from an education foundation she headed, and that his elder brother may have used his influence to award to his relatives a profitable concession of a Seoul wholesale fish market.

Mr. Chun's younger brother is in jail for embezzlement and his property is being seized to pay his fine.

South Koreans have heard for the first time how at least 54 people died in army-run labor camps set up by Mr. Chun after he seized power in 1980, and how military security agents physically abused the heads of Korean newspapers and television stations to force them to give up their companies and make it easier for the government to control news.

The nation is looking into a dark past, and that could be politically explosive because Mr. Roh's government contains many holdovers from Mr. Chun who may oppose a complete unveiling of the past. And Mr. Roh risks being criticized as a prime mover of a legacy he now repudiates.

Yet, students and many other Koreans demand an accounting because they believe that past failures to punish abusers opened the way to authoritarian rule.

Most Koreans agree on their feelings about Mr. Chun but are split on what his fate should be. Chang Yong Hee, 49, an owner of a beverage company, wants him to apologize, return any money he accumulated illegally, and leave Korea.

A well-dressed woman who refused to give her name embarked on an impassioned diatribe, saying Mr. Chun should be jailed and not given any special treatment. Kim Eun Joo, 29, a computer operator, said she believed it is improper to jail a former president and dangerous to encourage what she sees as political retribution.

Until the last few days, opposition and government politicians had seemed to agree on a rough formula for a political settlement — a public apology, return of any illegally acquired money, and a retreat to the countryside in return for an end to any prosecution.

But since the demonstrations began, the opposition stance has hardened, with leading politicians saying they will abide by public opinion.



Former President Isabel Perón, center, arriving in Argentina recently for a surprise visit. Mrs. Perón now lives in Madrid, Spain.

Perón Visit Heats Up Argentine Election

By Eugene Robinson
Washington Post Service

BUENOS AIRES — Even in the context of Argentine politics, things have taken a decidedly unusual turn since Isabel Perón decided to return home for a visit.

The self-exiled former president and widow of Juan Domingo Perón showed up unannounced at the airport on Oct. 25 and said she had decided to spend a couple of weeks in her homeland. "I don't come looking for politics," she said coyly, "but sometimes politics comes looking for me."

Her arrival was a new wrinkle in the campaigning for a presidential election in May. The election will provide the first constitutional transition of elected presidents in Argentina in 61 years.

The Peronist party, an emotion-laden coalition that includes elements from both the far left and the far right — and is the largest political movement in Argentina — is considered likely to win. Among the issues are the Argentine economy, its large foreign debt and its relations with the rest of the world.

But for now, Argentines are focusing less on the issues than on the visit by the woman known as Isabelita, the flights of oratory by President Raúl Alfonsín and the Peronist presidential candidate, Carlos Saul Menem, strikes by public workers that have crippled vital services, and the story of a dog that fell off a 13th-floor balcony, killing a woman walking past.

Isabel Perón was president from the death of her husband in 1974 until she was deposed by a military coup in 1976. Her years in power are remembered as a time of economic chaos, guerrilla insurgency and arbitrary repression. She lives in Madrid, where Juan Perón spent 17 years in exile, and has not been to Argentina in four years.

The question being asked is why

she would visit now, just after the beginning of the presidential campaign, when polls are showing Mr. Menem with a clear lead over Eduardo Angelini, candidate of the Radical Civic Union Party of Mr. Alfonsín. Peronists fear her presence will remind voters of how bad things were the last time they held power.

There were immediate charges that this was all a dirty trick engineered by the Radicals. Indeed, Mrs. Perón and Mr. Alfonsín are friends, and on Wednesday she had a 40-minute meeting with him.

But a more likely explanation is that she came to take care of financial matters, including her court claim for \$5.6 million that she says was swindled from her. She also is defending against an \$8 million claim filed by relatives of her husband's previous wife, Eva, seeking a portion of his estate.

Whatever the reason for the visit, Mrs. Perón appears to be enjoying the spotlight. Each morning, reporters gather at her hotel and wait for her to descend and lead them on a merry chase. She visits working-class neighborhoods, Peronist

strongholds where many people still remember her fondly. She spends hours signing autographs for people, like the taxi driver who told her: "Come back. We need you."

She caused a stir last week when she suggested that she may take the embalmed remains of Mr. Perón back in Spain with her. In a country where Eva Perón's tomb is always decorated with fresh flowers, and a lit cigarette is kept burning at the grave of Carlos Gardel, inventor of the modern tango, the notion of moving Mr. Perón's body was explosive. She has since dropped the subject.

Last year, the bands were cut off Mr. Perón's body and stolen. The Peronist party called for a national day of mourning for the missing hands.

Peronist leaders have kept their distance from Isabel Perón. Mr. Menem said her visit "neither helps us nor hurts us," added that she "doesn't understand anything about politics," and then left on a planned trip to Europe.

Meanwhile, the presidential election campaign has become bitter. It

began two weeks ago when Mr. Menem suggested that Mr. Alfonsín and his Radical Party have done such a bad job that he should be impeached. Mr. Alfonsín responded that Mr. Menem, governor of La Rioja Province, was "the worst governor in Argentina."

Reagan Vetoes Limits On Children's TV Ads

New York Times Service

WASHINGTON — President Ronald Reagan has vetoed a measure overwhelmingly approved by Congress that would have reimposed restrictions on television programming aimed at children.

The president said Saturday that the bill infringed on freedom of expression. Supporters of the measure said Sunday that the veto was a disservice to children and that the legislation would be reintroduced next year.

The House of Representatives passed the measure, 328 to 78, on June 8, and the Senate approved it Oct. 19 by unrecorded voice vote. The bill would have limited advertising shown during children's programs in 10 and a half minutes an hour on weekends and 12 minutes an hour on weekdays. It would have required broadcasters to provide educational and informational programming for children as a condition of license renewal.

Such limitations had existed under Federal Communications Commission rules until 1984, when the commission removed them. With the deregulation came other changes. Toy manufacturers, for

example, became heavily involved in children's programming, developing shows that, in some cases, broadcasters were enticed to schedule in exchange for a part of the profit on toy sales.

Peggy Charren, president of Action for Children's Television, a principal proponent of the bill Mr. Reagan vetoed, called his assertion that the bill was unconstitutional "a doublespeak excuse." The legislation, she said, simply furthered the mandate of the Communications Act that every station serve the public interest.

Havana Police Arrest Suspected Profiteers

Reuters

HAVANA — The police have arrested suspected profiteers at a market here as part of a crackdown on what the authorities call "anti-social elements," the official Granma newspaper said Monday.

It said the suspects sold positions in the long lines in front of stores. Twenty-seven persons were arrested Friday and an unspecified number were held Saturday, it said.



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Deng Says Power Now Has Passed To Zhao and Li

Reuters

BEIJING — Deng Xiaoping, at 84 still regarded as China's most influential leader, said on Monday he was no longer in charge and had passed the reins of power to the Communist Party chief, Zhao Ziyang, and Prime Minister Li Peng.

"In China today, those in charge are Zhao Ziyang and Li Peng," Xinhua news agency quoted Mr. Deng as telling President Julio Maria Sanguinetti of Uruguay at a meeting in the Great Hall of the People. "I only look into a few matters."

Western diplomatic sources quoted Mr. Deng as adding that his career was "in its sunset."

He told Mr. Sanguinetti that China's progress in the past 10 years — the period of his rule, marked by pragmatic economic reforms — had been "gratifying" and national policies generally correct, the agency reported.

Mr. Deng stepped down from most party posts in late 1987. There is wide speculation over his health: He is hard of hearing, sometimes appears to walk with difficulty and has not made a major public speech for several months. But diplomats say that he retains pervasive behind-the-scenes influence.

UN Unit Queries Hong Kong Rule

Reuters

GENEVA — United Nations human rights experts expressed concern about some aspects of British rule in Hong Kong and called on London to respond to their misgivings, a UN report said on Monday.

Among the concerns was the lack of direct elections to the colony's legislative council, the use of police powers, and rules affecting the media. These were discussed at a meeting of the UN Human Rights Committee last week, delegates said.

The 18-member committee is reviewing measures taken by Britain to implement in its dependent territories a 1976 International Covenant on Civil and Political Rights. Committee members received reports from Hong Kong human rights spokesmen, including lawyers, journalists and students. The group said that Britain was six years late with its report.

Senegal and Libya Sign Pact

The Associated Press

DAKAR, Senegal — Senegal and Libya have re-established diplomatic relations after an eight-year break, the government announced Saturday.

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INTERNATIONAL Herald Tribune

The Afghan Deadline

There is cause for alarm in Afghanistan, and it is that so little progress has been made in forming a government to replace the puppet regime that the Soviet Union will leave behind when, assuming it sticks to its Geneva commitment, it finishes withdrawing its forces by next Feb. 15.

A Hacker's Warning

The electronic networks that distribute mail between computers are as vulnerable to sabotage as the Postal Service. The letter bomb of the computer age is a program that clogs up or damages recipient computers.

Awash in Sewer Money

The corruption of public financing for U.S. presidential elections is by now obvious to everyone but the Federal Election Commission, the agency charged with enforcing the rules.

Other Comment

A Campaign Blind to Asia The only mention Asia gets is in innuendos that the "threat" of foreign trade and investment. If Americans spurn their privileged relationship with Asian trading partners, they will find their prosperity and contentment the losers.

INTERNATIONAL HERALD TRIBUNE

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OPINION For a Nationalist Internationalist President

WASHINGTON—The next U.S. president faces an identity crisis in foreign policy. The global economy—the result of jet travel, multinational companies and electronic communications—is altering the postwar agenda and psychology of America's international relations.

America will not continue to play the commanding role of the early postwar era. But either it will remain as the Western club's leader, or there will be no leader.

Other strains caused by the global economy are more subtle. As a nationalist, the president might want to restrict foreign investment in the United States. But doing so might upset foreign exchange markets, because overseas investors would be less willing to hold dollars.



More Empty Than Nasty

WASHINGTON—The basic problem with the campaign we have just endured is that it has focused far too much on who the candidates are, rather than on who they are or what they might do if elected.

Bush Has the Experience

If you believe in the importance of an effective foreign policy, then you should hope that George Bush will remain in Boston. To the degree that experience in foreign affairs is important, and it is, Mr. Bush has had more varied opportunities to learn than almost any previous presidential aspirant.

A Country of Grasshoppers

THE future has no constituency. There is Michael Dukakis, his brow dark with portent, warning people about the future implications of the deficit.

Dukakis Has the Plans

I DOUBT that many people enjoyed this campaign. Michael Dukakis wanted to make it a discussion of competence and vision, based on the hard facts of an open record and well-defined substantive positions.

A CIA Alumnus as President?

HAVE American voters really thought about the implications of electing a president who once was director of the CIA? Questions about Vice President George Bush transcended the specific issue of how much he knew about the drug trafficking and other criminal activities of the CIA's paid "asset," General Manuel Noriega of Panama.

Abroad, there was a crude bargain: The United States served as the leader of the club of Western nations because the leader conferred so many benefits on the other members. It provided a military umbrella, offered the largest market for imports and served as the residual supplier of key commodities: grain and oil.

The problem now is not that the United States has become a second-class economic power. Of course, relative U.S. power has declined. But the U.S. economy is still the world's largest and wealthiest, German and Japanese productivity levels are 70 to 80 percent of the U.S. level.

100, 75 AND 50 YEARS AGO

- 1888: News Summary PARIS—Turkey: News from Belgrade gives rise to fear of a Serbian insurrection organized by the Pretender Karagorgevitch. The natural consequence of this would be an Austrian occupation, which might induce Russia to interfere.
1938: Reich Envoy Shot PARIS—Ernst von Rath, Third Secretary at the German Embassy in Paris, was shot and seriously wounded yesterday (Nov. 7) by a seventeen-year-old German-born Polish Jew named Herschel Felpe Grynshat.
1913: Diaz Is Stabbed NEW YORK—Telegrams from Havana state that Senor Felix Diaz was twice stabbed by a Mexican yesterday (Nov. 6), as he was walking on the Malecon, a fashionable promenade. He was stabbed in the neck, behind the ear, and also received several blows from a cane. His assailant, Pedro Guerrero, was arrested. Senor Diaz was later arrested for firing on Guerrero. Meanwhile, the "San Francisco Chronicle" has received a despatch from Mexico City stating that an attempt has been made on the life of General Huerta. The general was driving in his carriage when a man fired at him. The horses bolted, knocking down the would-be assassin.

سكزامن الاصل

OPINION

Dirty Work: Pardon Us For Another Fine Mess

By William Safire

WELLINGTON, Florida — We are deeply into the era of Laurel & Hardy politics. Remember the film classic in which they got into a mild argument with their neighbor? If memory serves, the neighbor kicked their car and a fender fell off; in retaliation, Stan Laurel ripped a shutter off his house; furious escalation followed, and by the end of the reel both car and house lay in shambles. When did the fender-ripping and shutter-tearing of the 1988 presidential campaign all begin? Who started this round of impugning motives and besmearing reputations, now euphemized as "negative campaigning"?



LETTERS TO THE EDITOR

Ethics of Arab 'Transfer'

Regarding the report "A Revived Cause: Transfer of Arabs" (Nov. 4): Speaking about "transfer" (a euphemism for forced expulsion of the remaining Arabs of Palestine), Rehavam Zeevi, whose Mokedet Party has just won two Knesset seats, is quoted as arguing: "We came to conquer land and settle it. If transfer is not ethical, then everything we have done here for 100 years is wrong."

Let All Whales Be Free

Your articles on the freeing of the two California gray whales trapped by Arctic ice were heartwarming. However, the details in "Japan: Whale Farming" are sickening. (First edition, Oct. 29.) How could a nation consider raising these gentle creatures in captivity just to satisfy a craving for whale meat and whale milk? Such cruelty must be stopped.

JENNIFER NISHIYAMA, Kobe, Japan.

Striking Back at Junk Fax

Woody Hochstetler ("The Sleeping Fax Machine: You Ain't Seen Nothin' Yet," *Meatwhile*, Oct. 12) would be pleased to know that in Hong Kong the sending of "junk fax" contravenes the conditions of fax line connection. All you have to do if you receive one is put it back through the telephone company, and they "clean" on the offender.

ALAN TATE, Hong Kong.

Correction

Due to an editing error, it was stated in the opinion column "In Cambodia: When It's Too Late and the Visitors Won't Leave" (Nov. 4), by Frederick Z. Brown, that Prince Norodom Sihanouk had withdrawn his resignation as head of the coalition representing the Cambodian resistance. He has not withdrawn his most recent resignation. Other passages should have read "replacing the PRK with a government of national reconciliation" and "The prince and his non-Communist colleagues have barely made a start in creating the essential conditions for their future survival in a coalition with Marxist-Leninists."

President Uncle Bob Will Be Missed

By Dave Barry

Miami — Gosh. The Reagan presidency is almost over. Almost time for the Gipper to head off to the ranch. Which in itself is not unusual. Heading off to the ranch was a major function of the Gipper administration. And why not? YOU try sitting around the White House, thinking about stuff like the trade imbalance for days on end. Especially when

— this was 16 months after he became president — that he believed nuclear missiles launched from a submarine could somehow be called back.

Or when he introduced Mr. and Mrs. Sugar Ray Leonard as "Sugar Ray and Mrs. Ray." Or all the times he answered questions by launching into anecdotes, after which his staff would spend days trying to figure out exactly what planet these anecdotes had occurred on.

Or the astrology thing.

The media reported this and much more, and waited for people to react, to say: "THIS guy can't be the president! This guy needs aides to get DRESSED!"

But it never happened. Not in any big way. It seemed like no matter what Mr. Reagan did, a whole lot of people still liked him. After a while this seemed positively spooky to the media, who nicknamed him the Teflon President, as though his secret were some kind of sick, high-tech shield, as though if you could tear the shield away and reveal the REAL Reagan, people would be appalled.

But I think this theory is just about the opposite of the truth. I think the

reason Mr. Reagan was so popular was that the SHIELD DIDN'T WORK. No matter how hard his aides tried to make it look as though he was Right on Top of Things, he still managed to act kind of out of it, and people liked it. Hey, WE don't know who the secretary of housing, and urban development is, either.

It's like we were in an airplane, and the pilot got sick, so our kindly old Uncle Bob had to take the controls. We wouldn't EXPECT as much from Uncle Bob. We'd consider it a major triumph if he didn't crash. We'd be happy for him if he did something good — "Hey! Uncle Bob signed an arms control agreement! Yay for Uncle Bob!" — and we'd feel bad for him when things went wrong — "Oh no! The marine barracks got bombed! Don't feel bad, Uncle Bob! It's not your fault!"

It's as though we figure, hey, nobody can really control the government anyway, so we might as well have somebody we like. Which is why the voters were not at all thrilled about the presidential choices this time around — those two fussy men, those dueling prunes, who completely lacked the what-me-worry goofiness of President Uncle Bob. As a humor columnist, I'm going to miss him. *Knights-Ridder Newspapers*



RONALD Reagan has never been reluctant to take time off, and he recognizes that his reputation as a non-workaholic is secure. Last year he quipped that he knew hard work never killed anyone, but "I figure, why take the chance." There is a deceptive quality of unconcern to such one-liners. He cares deeply about what happens after he leaves office. He has told *The Washington Post* that a Bush victory is as important to him as winning his own races was in 1980 and 1984. That statement testified both to Mr. Reagan's ideological commitment and to a personal security that is rare in the Oval Office. "There are going to be many more occupants of the White House and Reagan knows it," says the White House political director, Frank Donatelli. "He's not trying to squeeze every last ounce of prestige or power out of the office. He can imagine an America in which he's not president, and he can imagine that America doing very nicely." Even so, don't bet the ranch that Mr. Reagan will disappear into the sunset. He doesn't seem quite ready to retire. — Lou Cannon in *The Washington Post*.

That Other Roosevelt

If George Bush and Dan Quayle knew their political history, they would know that the "liberalism" they mock began with Republicans. The Republican Party was the first to introduce legislation recognizable as "liberal" in the modern sense — in the form of Senator Justin Morrill's program of Civil War legislation in aid of farmers, homesteaders and those who aspired to agricultural and technical education at land grant colleges. The first president recognizable as a Roosevelt, all right, but Theodore, the Republican, not his distant cousin Franklin D. Theodore Roosevelt was the first president who took a strong interest in government intervention to protect working people and minorities. Before the party took its sharp turn in the 1920s, Republicans remembered their liberal heritage and took satisfaction in it. They certainly did not make fun of it. — Edwin M. Yoder Jr. in a column in *The Washington Post*.

Residence

Abroad, there was a... The United States... because the leader... benefits on the... provided a military... the largest market... commodities: grain... dollar promoted trade... United States was... Plan, American... navy and some... But until the late... policy was accepted... boomed. Between... grew at an annual... between 1963 and 1970... Europe and Japan... European Community... To Americans, Europe... through a larger market... scale. Japan's... more adept students... Communist was... U.S. leadership was... countries dared not... losing the benefits of... from the U.S. club... the 1970s, grain and... ed despite U.S. reserves... stability. Vietnam... affirmed American... management and techn... less awe. Prospects... Japanese and Korean... eigners' gratitude... The result is a world... omic conflicts. No... monopoly on com... The European Comm... publishes a list of U.S... that are seen as unf... the General Agreement... and Trade. The point... Americans that in a... are vulnerable, too... Every country feels... control over its affa... For all domestic pres... bility in foreign negotia... There are bound to be... between a President... President Dukakis as... er ship. Mr. Dukakis... ley on Third World debt... views of Senator Bill... has supported debt relief... his might also be... But both men would... late the balancing act... Reagan administration... On the one hand, it... nations to reduce... experts. But it has... operation with Europe... especially in trying... foreign exchange... It matters whether... t survive. The global... sorse under U.S. spons... ca pushed to liberate... that U.S. power is... clear how well the... ate. Will it become... strictions on trade... there are genuine... There are only two... contradictory —... drama. First, the... not continue to play... role of the early... that Americans can... and that other coun... tolerate. And second... ed States will remain... leader, or there will... For the moment, there... candidate. Japan will... larger role. It has... new plan to handle... left crisis. But the... abilities. They are... han Americans. By... orces are defensive... less inclined than... leadership role. All... can decline also... U.S. dominance as... influential economy... "Americans tend to... of 'isolationists' when... ominate international... internationalists' poli... ey can," historian Walter... the impulse... then angry with the... us try to withdraw... onomy dooms that... The next president... ncile Americans to a... nich they feel uneasy... onomic nationalism... but they overlook... x. An obsessive... numerical interests... g if it wrecks the... e next president... 2 persuade more... up that contradiction... Mr. Saraculow... week and *The*... article has been... mber-October issue... national *Economist*

YEARS AGO


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Mujahidin Defiant Over Soviet Arms

By Barbara Crossette
New York Times Service

PESHAWAR, Pakistan — Afghan guerrillas, including a field commander on a visit to this border city, said Soviet deployment of new missiles and aircraft in Afghanistan would not stop what they see as a steady guerrilla advance in many of the country's 29 provinces.

But the fighters said they may have to ask for more advanced

weapons from the United States if the Soviet Union raised the technological level of its weapons in Afghanistan.

The guerrillas and Pakistani officials and diplomats also said they still expected Soviet forces to leave the country on schedule, despite Moscow's announcement on Friday that it was suspending its troop withdrawal.

Moscow said it would "carry out obligations under the Geneva accords," the agreements that set the timetable for the Soviet troop pull-out, which call for a complete withdrawal by Feb. 15. But a Soviet official suggested that the Kremlin might delay meeting the deadline if the Geneva agreements were not "observed by all sides."

REFORMS: Sakharov in U.S.

(Continued from Page 1)

Pakistan appears to believe that Mikhail S. Gorbachev, the Soviet leader, cannot reverse his withdrawal from Afghanistan without jeopardizing his openings to Western Europe and the United States.

On the ground, the guerrillas said, Soviet troops did not want to fight, and sometimes made deals with their opponents to avoid confrontation.

But as the anti-government fighters move into provincial capitals, there is growing concern among their civilian supporters about what vision — if there is a common one — the Islamic armies have for the future of the country.

The guerrilla field commander visiting Peshawar, Mullah Najibullah, is the leader in Kandahar province of the forces of Jamiat-i Islami, one of seven guerrilla armies.

He said in an interview on Sunday that most districts in the province were under guerrilla control.

The guerrillas, known as mujahidin, said they have already cut the road to Kabul.

The Soviet Union's introduction of SS-1 Scud missiles and MiG-27 and Su-24 aircraft is regarded by Afghans and some Pakistani officials and foreign diplomats as more psychological than strategic in importance.

"The Scud missiles are effective against heavy troop concentrations, which the mujahidin do not have," said Sayd Naim Majrooh, director of the Afghan Information Center, a nonpartisan, generally moderate exile organization that collects reports on Afghanistan.



CAMBODIANS CONFER — Prime Minister Hun Sen meeting the press Monday in Fere-Tardenois, near Paris, where he is meeting two opposition leaders, Prince Norodom Sihanouk and Sonn San. No substantive progress was reported. The negotiations are to end Tuesday.

SOVIET: Kremlinologists Study the Lenin Tomb Line

(Continued from Page 1)

The revolution, Mr. Gorbachev stepped into view in a jaunty fur hat and heavy overcoat, punctuated by a brightly colored scarf, followed closely by Prime Minister Nikolai I. Ryzhkov.

No surprise there. Mr. Gorbachev, head of the party since March 1985 and president of the country since Oct. 1, is clearly the dominant leader. With the retirement of Andrei A. Gromyko as president this fall, and the addition of that job to Mr. Gorbachev's portfolio, Mr. Ryzhkov ranks second in protocol.

Last year, as some astute Kremlinologists noted, the trio of Mr. Gorbachev, Mr. Gromyko and Mr. Ryzhkov was separated from the rest of the Politburo by a three-second gap as members appeared at the front of the tomb, a pregnant pause that seemed designed to underline protocol distinctions.

Or had the others simply fallen behind because someone tripped coming up the stairs?

"Watch it closely on Monday and we'll see," a top Western Kremlinologist told reporters during a briefing at a Western embassy last week.

"Last year was the first time we spotted the gap."

Sure enough, Mr. Gorbachev and Mr. Ryzhkov appeared in view first, and their colleagues held back, apparently following carefully planned stage directions.

But is Mr. Ryzhkov second in power?

Probably not, according to most Kremlinologists.

The key question was who would follow Mr. Ryzhkov up the steps — Yegor K. Ligachev, whose status as the No. 2 party leader has been in doubt in recent months, or Lev N. Zaikov, whose star has been rising lately.

The answer was Mr. Ligachev. Was the answer definitive? Yes, and no.

As third in line, Mr. Ligachev certainly retained his protocol position as the third-ranking member of the leadership.

But when the leaders arrayed themselves on the tomb to watch the parade, Mr. Zaikov, the former head of the Leningrad party organization, stood immediately to Mr. Gorbachev's right, while Mr. Ligachev was two places to the Soviet leader's left, with Mr. Ryzhkov between them.

Or is the spot occupied by Mr. Ligachev the place where the party's No. 2 leader should stand?

"When they get up there, it gets harder to tell," the top Kremlinologist said. "That's why you've got to look at the order in which they appear."

By that calculation, seemingly confirmed by last year's anniversary appearance, Mr. Ryzhkov would stand to Mr. Gorbachev's left, with the spot to the prime minister's left belonging to the No. 2 party official. Last year and this year, Mr. Ligachev held that coveted spot.

But television coverage, considered another important guide to status within the leadership, lingered longer on Mr. Zaikov than Mr. Ligachev on Monday.

Western Boycott Ends

Senior Western envoys representing the United States and other NATO countries turned out for the parade, ending a boycott started in 1979, when Soviet troops first invaded Afghanistan, United Press International reported from Moscow.

Because Ambassador Jack Matlock of the United States was out of town, officials said, the embassy's No. 2 man, John M. Joyce, represented him.

COUPS: Seeking Security

(Continued from Page 1)

by, more powerful Commonwealth nations.

He said it was "too good trying to rely on the UN mechanism for immediate responses to problems like this, because the UN has no standing forces, the whole question of command and control is complicated, and there would have to be a Security Council resolution first."

But the Commonwealth, which has a less formal structure than that of the United Nations, could develop regional contingency arrangements that would tend to deter externally sponsored coup attempts against weak states.

Some of the larger nations in the Commonwealth — Australia, Britain, India, Nigeria, Tanzania and others — could thus agree to help protect some of the 15 member countries with populations of less than 200,000.

The latest coup attempt in Maldives was the third since Maumoon Abdul Gayoom became president in 1978. He requested help this time from India, the United States and Britain.

In response, India, a fellow member of both the Commonwealth and the seven-nation South Asian Association for Regional Cooperation, sent warships, aircraft and about 1,600 paratroops.

Fathulla Jameel, the Maldivian foreign minister, said Sunday that Indian forces were already starting to leave.

But he added, "We cannot say at this stage whether we ourselves can take care of our security from any future dangers."

Maldives, with a population of about 200,000 scattered over 220 coral atolls, has no army, navy or air force. It relies for security on a lightly armed paramilitary force of about 1,000 men.

One reason for India's prompt intervention, analysts said, was concern in New Delhi that the attack on Maldives was carried out by Tamil guerrillas from Sri Lanka, where about 50,000 Indian troops are helping government forces fight Tamil separatists.

The United States was concerned about the coup attempt, analysts said, partly because of the proximity of Maldives to Diego Garcia island, where the United States and Britain have developed a military staging and communications base. Gan Island, in southern Maldives about 500 kilometers (300 miles) away, is the site of a military airfield abandoned by Britain in the mid-1970s.

Small island states in the Indian Ocean have been the targets of at least 10 coup attempts or plots in the past decade. Many of them involved foreign mercenaries or troops.

In the Caribbean, U.S. military forces intervened in Grenada in October 1983 after a military coup led to the execution of the Grenadian leader, Maurice Bishop. The last members of the U.S. military contingent left in September 1985.

In the South Pacific, a 1980 rebellion against the newly independent government of Vanuatu was put down by troops sent from Papua New Guinea.

In June, Australian customs officials in Sydney announced that they had intercepted a 16-ton shipment of Soviet-made arms and explosives on a freighter bound for Fiji, where the Fijian armed forces last year deposed a government that was dominated by ethnic Indians.

DUKAKIS: This Race Is Tough

(Continued from Page 1)

Quayle "a crisis who has to be managed."

At a rally in Westminster, Colorado, Mr. Dukakis said: "You won't believe this. Mr. Bush in an interview yesterday said that if we give him a chance he might put Dan Quayle in charge of managing the most serious foreign policy crises our nation faces in the next four years."

"I want you to tell us before the election — yes or no — would you or would you not put Dan Quayle in charge of managing national security operations in a time of crisis?" "Think about it, think about it. It gives you the chills, doesn't it?"

Dukakis aides said the governor's comments referred to a Bush interview with David Frost broadcast on public television.

In the interview, Mr. Bush was in fact noncommittal about Mr. Quayle's role. Mr. Frost asked him if he might make Mr. Quayle "head of the Special Situations Group," as Mr. Bush himself had been under President Ronald Reagan.

"That is one I hadn't even thought about," Mr. Bush replied. "What I would do is sit down with the top national security people and make a determination."

When Mr. Frost repeated his question, Mr. Bush replied: "Could be. I haven't decided yet."

Although Mr. Dukakis contin-

BUSH: He Has 'Never Felt Better'

(Continued from Page 1)

chance to build a better life," he says.

The Bush program summarizes the vice president's experience, beliefs and plans for the United States.

The vice president began a last-day sweep through four states by telling a rally audience in the Detroit suburb of Southfield that when voters go to the polls Tuesday, they should ask themselves, "Is the country headed in the right direction?"

Mr. Bush added, "The answer is, yes it is."

Later, stopping in rural Ohio on his way to St. Louis, Mr. Bush told a cheering crowd in the Ashland College gymnasium: "I've never felt any better in my life. That adrenaline is flowing."

"The country's coming in behind our candidacy, and I want to win this election," he said, raising his arms and clenching his fists.

In Michigan, he said that that state's close contest "could be the key to this whole election."

It was in Michigan that Mr. Bush got his start toward winning the Republican nomination by beating Pat Robertson and Representative Jack Kemp of New York.

In California on Sunday, Mr. Bush sought to counter criticism that he had set the negative tone of the presidential campaign.

"I am getting sick and tired of my opponent's complaining about

REAGAN: Sunset Kid Rehearses

(Continued from Page 1)

Bush team is grateful for the president's strong supporting role.

Indeed, it was Mr. Reagan who came up with the message for the Bush team: "We are the change."

"He genuinely likes George Bush," said Martin Fitzwater, the president's press spokesman. "And he's truly angry at Dukakis for misleading people about his liberal beliefs and about the Reagan record."

Returning recently from a campaign swing in California and other states, he was told by Kenneth DuBerstein, Mr. Reagan's chief of staff, that the polls showed that the race in California was close.

Mr. Fitzwater said Mr. Reagan looked up from his papers and said, "I want to go back. And he was to travel 11 hours Monday to spend two hours at rallies."

On Friday, at Chicago's O'Hare Airport, the president's aides tried to get him to cancel a helicopter trip to a rally in Palos Hills, Illinois, because it was raining so hard.

"If 10 people are there, I am going," Mr. Reagan said, insisting that they wait to see if the rain let up. It did, and they went.

Mr. Bush concedes he may never be as good at moving crowds as Mr. Reagan, and his tough-guy lines like "Read my lips" can sound forced. The president, however, offers his in a soft voice with the timing of a professional, and the audiences erupt in wild applause.

"Violent crime has fallen significantly since 1981," he said at Moraine Valley Community College in Palos Hills, Illinois, "because we put the bad guys on notice. Make one false move and the next sound you hear is the clang of a jail cell door slamming shut."

He also reassures those who think he may have "gone soft" on communism. "I know there've been some people that have worried a little about Gorbachev and me in these summit meetings, and they think maybe I'm kind of — well, I've gotten a little easier here," he said in Mesquite.

"But I just want you to know, I made it plain to him from the very beginning with an old American saying: Trust everyone, but cut the cards."

If Mr. Reagan went through a period of despondency after the Iran-contra scandal and his cancer



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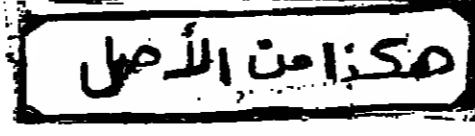
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ARTS / LEISURE

Play on Austrian Past Stirs Vienna Uproar

VIENNA—A play accusing Austrians of being anti-Semites and Nazis had a tumultuous premiere here, punctuated by boos and catcalls. After the performance of Thomas Bernhard's "Heldenplatz" the audience in the Burgtheater jeered and cheered the cast, the playwright, and the director Claus Peymann for 45 minutes. Shouts of "Insolence!" and "God Save Austria!" erupted in the auditorium during the four-hour performance, watched over by security guards called in by the management of the Burg, Austria's principal state theater.

Washington Shows Photos To Aid Russian's Exit Plea

WASHINGTON—A display of the work of Sergei L. Petrov, a 35-year-old Soviet photographer who has been seeking to emigrate from the Soviet Union, opens Tuesday at the international exhibition hall of the State Department.

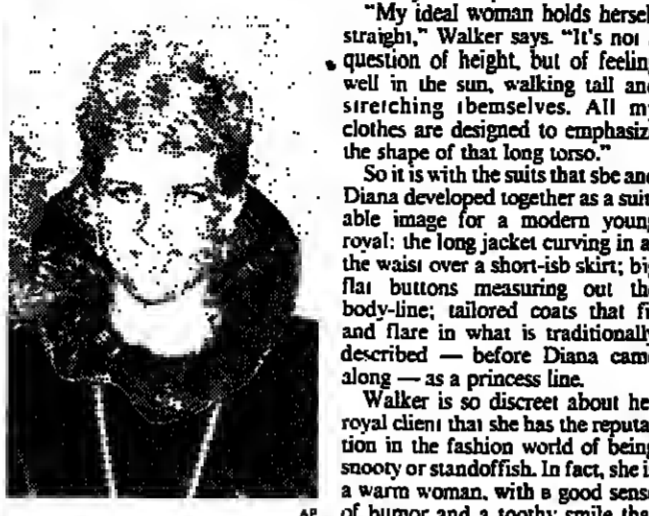
Who Dresses Princess Diana?

PARIS—Diana, Princess of Wales, stood on the runway as a slender figure in a shimmering, sequined gown and plumed hat at the tail end of a long red carpet. Prince Charles took the official salute from the equally plumed and gilded Garde Républicaine.



Princess Diana, left, arrives in Paris wearing Chanel. Above, the princess wearing Walker's Mary Queen of Scots design.

ly from the hats—the last vestigial remains of a crown—that the British royal ladies insist on wearing to set them apart from the crowd. Catherine Walker is a discreet dressmaker who has designed most of Diana's outfits for the past two years. Together, they have developed the slim-line tailored clothes and more extravagant evening outfits that seem suited to a royal role.



Catherine Walker in her workroom, wearing one of her designs.

Walker works from a small shop screened behind twin bay trees in London's Chelsea, which gave its name to the store, opened 11 years ago. The Chelsea Design Company started selling tucked and proper traditional English clothes—a therapy taken up by the young Catherine when her English solicitor husband was tragically killed, leaving her a widow with two young daughters.



Princess Diana, left, arrives in Paris wearing Chanel. Above, the princess wearing Walker's Mary Queen of Scots design.

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Ever Felt Betrayed?

It seems to forget the promises to forget those promises, but it is just before an election, it is told a rally outside the White House.

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TUESDAY, NOVEMBER 8, 1988

INTERNATIONAL STOCK MARKETS

If Fears on Kuwaiti Sale Are Overdone, BP Is a Buy

By FLOYD NORRIS New York Times Service NEW YORK — Its stock has underperformed competitors' shares, and by many ways of valuing oil companies, British Petroleum Co. looks cheap. But whenever he suggests that an institution buy the stock, said Frederick P. Luffer, an analyst at C.J. Lawrence & Co. in New York, the response is: "Call me when the overhang is gone." The overhang is the huge block of stock that the British government is forcing the government of Kuwait to sell. It is possible that fear of the overhang is depressing the price of the stock, whose dividend yield and cash flow might otherwise cause it to sell at significantly higher prices. As a result, Mr. Luffer and some other analysts are recommending the stock. Kuwait disclosed last week that it was seeking permission to sell the shares for five years, in hopes of avoiding a huge loss on the investment. The British government has not acted on that request. A period of one year had been suggested by the Monopolies and Mergers Commission, which had decided to force the sale because of concern that Kuwait would act in its own interest as opposed to the interests of BP and the British public. The possible delay served to depress stockholders, who fear a long period of uncertainty, and American Depository Receipts for BP fell 62.5 cents Friday, to \$52.75. They rose to \$53 on Monday. On the London Stock Exchange, BP shares were off 1 penny at 247 pence (\$4.36), up from 240.5 pence a month earlier. Each of BP's American Depository Receipts on the New York Stock Exchange represents 12 ordinary shares traded in London. BP has been a nightmare for international investors for more than a year, since the government unloaded a 31.5 percent stake in the company. That was sold just as world markets collapsed, and the underwriters wound up with huge losses. Finally, the government offered to take the shares back, at a substantial discount to the price it had received, but received just a small fraction of them. That was because Kuwait was buying. SINCE the end of September 1987, British Petroleum's share price has declined 28 percent in dollar terms, by far the biggest drop of any major international oil company. Most big oil stocks have risen 10 percent or more in 1988, notwithstanding the drop in the price of crude, but BP is off 6 percent. Mr. Luffer of C.J. Lawrence contends the stock is cheap by oil company standards. Most major oil company stocks sell for about 4.3 times annual cash flow, but he estimates British Petroleum will show cash flow of \$15 for each American Depository Receipt in 1988, putting its stock price at a multiple of just 3.5. An average multiple would put BP's share price at \$64.50. Another analyst who likes the stock is Todd L. Bergman of Goldman, Sachs & Co., who thinks BP's net asset value is about \$80 per ADR and who notes that most of its oil reserves are in Alaska and the North Sea, two areas with little political risk. As for fears of the overhang, he said, "We think investors are being paid very well to take the risk." Kuwait's investment was mostly in partly paid shares, and as a result it will be sending \$2.3 billion to the British government next spring to finish paying for the shares it bought. The government wants Kuwait to cut its stake from 21.7 percent to 9.9 percent, which would result in a loss of more than \$500 million if it sold at current prices. At those prices, and before paying the additional money in the spring, the shares are worth about \$3.5 billion. What will happen to the Kuwaiti shares? BP says it is aware of speculation that it might buy back some, despite the heavy tax penalty it would incur, but will not comment on the question.

NEW YORK — Its stock has underperformed competitors' shares, and by many ways of valuing oil companies, British Petroleum Co. looks cheap. But whenever he suggests that an institution buy the stock, said Frederick P. Luffer, an analyst at C.J. Lawrence & Co. in New York, the response is: "Call me when the overhang is gone." The overhang is the huge block of stock that the British government is forcing the government of Kuwait to sell. It is possible that fear of the overhang is depressing the price of the stock, whose dividend yield and cash flow might otherwise cause it to sell at significantly higher prices. As a result, Mr. Luffer and some other analysts are recommending the stock. Kuwait disclosed last week that it was seeking permission to sell the shares for five years, in hopes of avoiding a huge loss on the investment. The British government has not acted on that request. A period of one year had been suggested by the Monopolies and Mergers Commission, which had decided to force the sale because of concern that Kuwait would act in its own interest as opposed to the interests of BP and the British public. The possible delay served to depress stockholders, who fear a long period of uncertainty, and American Depository Receipts for BP fell 62.5 cents Friday, to \$52.75. They rose to \$53 on Monday. On the London Stock Exchange, BP shares were off 1 penny at 247 pence (\$4.36), up from 240.5 pence a month earlier. Each of BP's American Depository Receipts on the New York Stock Exchange represents 12 ordinary shares traded in London. BP has been a nightmare for international investors for more than a year, since the government unloaded a 31.5 percent stake in the company. That was sold just as world markets collapsed, and the underwriters wound up with huge losses. Finally, the government offered to take the shares back, at a substantial discount to the price it had received, but received just a small fraction of them. That was because Kuwait was buying. SINCE the end of September 1987, British Petroleum's share price has declined 28 percent in dollar terms, by far the biggest drop of any major international oil company. Most big oil stocks have risen 10 percent or more in 1988, notwithstanding the drop in the price of crude, but BP is off 6 percent. Mr. Luffer of C.J. Lawrence contends the stock is cheap by oil company standards. Most major oil company stocks sell for about 4.3 times annual cash flow, but he estimates British Petroleum will show cash flow of \$15 for each American Depository Receipt in 1988, putting its stock price at a multiple of just 3.5. An average multiple would put BP's share price at \$64.50. Another analyst who likes the stock is Todd L. Bergman of Goldman, Sachs & Co., who thinks BP's net asset value is about \$80 per ADR and who notes that most of its oil reserves are in Alaska and the North Sea, two areas with little political risk. As for fears of the overhang, he said, "We think investors are being paid very well to take the risk." Kuwait's investment was mostly in partly paid shares, and as a result it will be sending \$2.3 billion to the British government next spring to finish paying for the shares it bought. The government wants Kuwait to cut its stake from 21.7 percent to 9.9 percent, which would result in a loss of more than \$500 million if it sold at current prices. At those prices, and before paying the additional money in the spring, the shares are worth about \$3.5 billion. What will happen to the Kuwaiti shares? BP says it is aware of speculation that it might buy back some, despite the heavy tax penalty it would incur, but will not comment on the question.

Currency Rates

Table with columns for City, Currency, and Rate. Includes entries for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Tokyo, Zurich, and JSDR.

Closes in London, Tokyo and Zurich. Rates in other centers. New York closing rates quoted. N.A. is not available.

Other Dollar Values

Table with columns for Currency, Per \$, and Rate. Includes entries for Australia, Austria, Belgium, Canada, Chile, Denmark, and Deutsche mark.

New York rates unless marked * (local rates).

Forward Rates

Table with columns for Currency, Period, and Rate. Includes entries for 30-day, 60-day, 90-day, and 180-day rates.

Sources: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Interest Rates

Table with columns for Term, Rate, and Currency. Includes entries for 1-month, 3-month, 6-month, and 1-year rates for Dollar, D-Mark, Swiss, and others.

Source: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Key Money Rates

Table with columns for Country, Term, and Rate. Includes entries for US, UK, France, Germany, and Japan.

Source: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Bonn Sets Airbus Subsidies

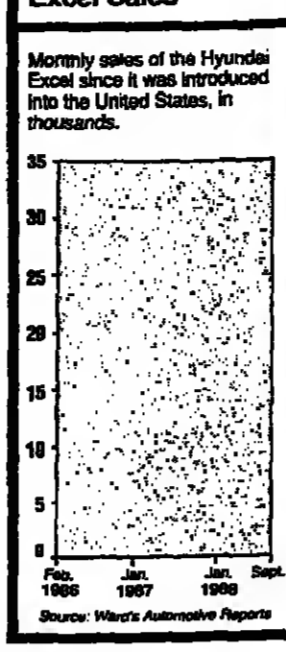
4.3 Billion DM Plan Approved

By Ferdinand Protzman International Herald Tribune FRANKFURT — The West German cabinet, after conceding on several last-minute demands from the Free Democratic Party, gave its approval Monday to 4.3 billion Deutsche marks (\$2.4 billion) in new subsidies for Airbus Industries. The move opens the way for a major restructuring of the West German aerospace and military industries. Economics Minister Martin Bangemann said the cabinet had approved the plan, enabling Daimler-Benz AG, the largest West German industrial concern, to acquire a 30 percent stake in Messerschmitt-Bölkow-Blohm GmbH, the largest aerospace concern. Daimler still must approve the plan. The company's supervisory board will meet to discuss it on Wednesday. While approval is expected, the company's unions have objected that it will result in lost jobs through restructuring and could hurt Daimler's traditional core business, producing Mercedes cars and trucks. Should Daimler approve, it will be transformed into West Germany's largest aerospace and military contractor, with annual sales of more than 80 billion DM. Its product line would run from hair dryers to surface-to-air missiles. "The cabinet has approved the outline for a restructuring of the German civil aviation industry according to the plan I outlined last week," Mr. Bangemann said, referring to the cabinet meeting on Nov. 2 at which his fellow Free Democrats blocked passage, citing ideological objections. Mr. Bangemann was chairman of the Free Democratic Party until October. He added that clarifications had been made on five points to overcome the party's doubts about the Airbus subsidies. The changes, Mr. Bangemann said, found approval with himself and other cabinet ministers because they constitute only affirmations and "clarifications" of what was already contained in the original language of the plan. If Daimler approves the plan, it could arouse the ire of the U.S. government. Last week, Alfred H. Kingston, the U.S. ambassador to the European Community, said the plan "would be very, very troublesome for the United States." "Once you get into government subsidies on exchange rates, you're opening a Pandora's box," he said. The United States and the EC have been engaged in a long-running dispute over Airbus subsidies. Although Mr. Bangemann was the chief architect of the plan, his successor as party chairman, Otto

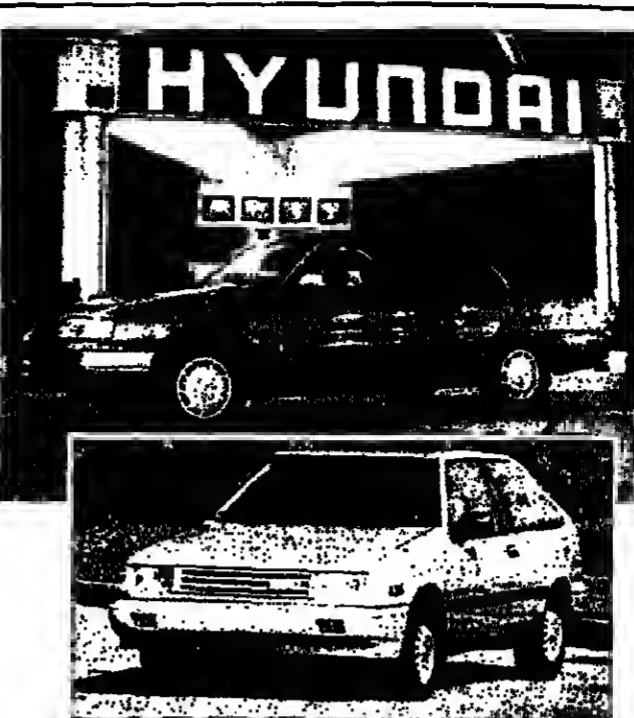
Group Says Nabisco Bid Would Provide Management Stake

Compiled by Our Staff From Dispatches NEW YORK — Forstmann Little & Co., the buyout specialist that may challenge the \$20 billion-plus bid for RJR Nabisco Inc. said Monday that any offer by it would include an "appropriate" equity stake for management and that the food and tobacco giant had welcomed its interest. But the takeover battle for RJR Nabisco, the biggest in corporate history, grew muddier as Nabisco managers considered whether to file a lawsuit to block the offer. The Forstmann group, which announced Friday that it might enter the battle for RJR Nabisco, reiterated in a statement that if it does submit a merger proposal, this would be of superior value to previous proposals. RJR Nabisco is already facing a \$20.9 billion, 92-a-share bid from a group led by its senior management and a \$20.3 billion, 90-a-share offer from the leading buyout firm, Kohlberg Kravis Roberts & Co. Forstmann Little and Goldman, Sachs & Co. had sought to join the management group, which is led by the company's chief executive, F. Ross Johnson, but bowed out when terms could not be reached. Individuals close to Mr. Johnson's group said the Forstmann Little group had promised that it would not be required to finance any of the debt involved, it said. The company said that it would, however, allow RJR Nabisco shareholders to participate in the upside potential of their company through a substantial equity interest should a special committee of the RJR Nabisco board desire it. The Forstmann Little group's announcement underscored the posturing that is taking place in the battle for RJR Nabisco. None of the three groups seeking the company has yet lined up enough financing to buy the company. Forstmann signed a confidentiality agreement before earlier discussions with Mr. Johnson's group, individuals in the Johnson group said. Only with such an agreement would Mr. Johnson's side provide the confidential financial information about RJR Nabisco, as

Excel Sales



Source: West's Automotive Reports



Hyundai is expanding its line with the Sonata, top, a larger model than the popular Excel.

Hyundai Aims to Move Up in Class

Company Seeking to Become a Broad Line Automaker By John Holusha New York Times Service WINDSOR, Ontario — Hyundai Motor Co. is trying to move upscale. The South Korean automaker, which has had great success with its low-priced Excel, is offering a new model, the Sonata, whose success or failure may determine whether Hyundai becomes a broad line manufacturer or remains stuck in the least profitable segment of the auto market. Hyundai carved out a niche in the North American auto market — first in Canada in the early 1980s and in the United States since 1986 — by selling the kind of small, low-priced cars that once came from Japan. As Japanese companies came under pressure from the rising yen and import quotas, they began to concentrate on exporting larger, higher-priced cars. Hyundai essentially took over the bottom end of the market, selling for \$6,000 to \$7,000. In the first year the Excel was available in the United States, Hyundai sold 168,000 of the subcompact, setting a record for any first-year import. Yet dealers who had to put up free-standing showrooms and service operations to get the

Burger King To Be Spun Off By Pillsbury

Compiled by Our Staff From Dispatches MINNEAPOLIS — Pillsbury Co., the U.S. food group that is fending off a hostile \$5.23 billion takeover bid from Grand Metropolitan PLC of Britain, announced Monday that it would spin off its troubled Burger King subsidiary. Under a plan approved by Pillsbury's board, the fast-food chain would be spun off to its shareholders as a separate public company. Analysis has said the chain could fetch as much as \$2 billion if Pillsbury chose to sell it to an outside party. Pillsbury said it would distribute one share of Burger King common stock for each common share outstanding of Pillsbury, payable on Jan. 27 or earlier for shareholders of record on Dec. 2, by way of a special dividend. "We firmly believe that the spin-off of Burger King and the other actions which may be authorized by the board offer shareholders greater rewards than does Grand Met's offer," said Philip L. Smith, Pillsbury's chairman. However, Grand Metropolitan said it was astonished by the spin-off plan and said it expected that Pillsbury shareholders would prefer its \$60-a-share offer. The company said the Pillsbury announcement was vague and did not contain enough information to evaluate the two companies, Burger King and Pillsbury, separately. Steve Carnes, a former Pillsbury executive who is an analyst for Piper Jaffray & Hopwood Inc. in Minneapolis, said the plan was a Band-Aid that may not hold up against the well-financed takeover bid. "This is bizarre," Mr. Carnes said. "It doesn't even come close to the \$60" a share offered by Grand Metropolitan. He said the plan would add debt to an already troubled Burger King, while the combined value of one share of Burger King and one share of Pillsbury would be about \$40. Tom Iseberg, an institutional investor in New York City, said he would advise his clients to tender their shares to Grand Metropolitan. But willed on the dropping of the Pillsbury shareholders' rights plan, or poison pill, he said it was likely that Grand Metropolitan would extend its offer until a Delaware judge rules on whether the plan should be dropped. The \$60-a-share offer was scheduled to expire at midnight Tuesday, unless extended. Pillsbury stock closed \$1.375 lower at \$59 on the New York Stock Exchange. The chairman of Burger King, Jerry Levin, said Monday that he expected the company's earnings to be depressed because of a heavy debt load created by Pillsbury's spin-off. He said the company's operating earnings were not expected to return to the level of fiscal 1988 until the end of fiscal 1990, ending May 31. Mr. Levin said he hoped that Burger King's sales, which have declined for the past three years, would show improvement some time in 1989. Burger King accounts for about one-third of Pillsbury's sales and about two-thirds of its profits, but in the year to May 31, the chain's pretax profits plunged more than 50 percent, to \$48.2 million. Mr. Levin became chairman of the chain in October, as part of a management reshuffling by Pillsbury. In other steps announced Monday, Mr. Smith said Pillsbury's remaining food-product businesses, including Green Giant, Bumble Bee tuna and Jeno's and Totino's

EC Head Fears Loss of Market

By Stephen Jukes Reuters BRUSSELS — Lord Cockfield, commissioner of the European Community, warned EC finance ministers Monday that the Euro-bank market could be driven from the community if ministers did take appropriate action, diplomats said. He spoke as the ministers moved closer to exempting Euro-currencies from a proposal requiring issuers of

Banks Seek Arms and Armor for 1992 Skirmish

By Stephen Jukes Reuters LONDON — Shark-repellent clauses, poison-pill defenses and white-knight alliances: Europe's banks are fighting to strengthen their hand and preserve independence before the 1992 deadline for a single European Community market. The tactics may be shrouded in jargon, but they reflect growing concern that 1992 is not only a chance to expand but is polarizing banks into two camps, the hunters and the hunted. Banking analysts say an increasing number of small to medium-size European banks are seeking alliances with friendly institutions to ward off big predators. Those banks which do not line up their defenses could be quickly snapped up by major banking groups hungry to break into new EC retail and corporate markets. "There are so many small banks out there just begging to be taken over," said Nadir Lanf, banking analyst at Morgan Stanley International in London. Spain, France and Italy appear to be the major targets. A similar trend of defensive alliances is emerging in industry. The 1992 market for banks, as envisaged in the European Commission's draft second banking directive, foresees a single banking license allowing operations in all 12 community nations. Faced with that challenge, new alliances are often based on a cross-shareholding or complicated deals that can be activated to guarantee independence if a suitor makes a hostile bid — the so-called shark-repellant clause. A link in October between Royal Bank of Scotland PLC and Banco Santander of Spain, each bank swapping 2.5 percent of its equity, was by no means the first cross-border alliance, but analysts say it is a model other banks are studying closely. "It provides stability to deter any predators," said Thomas Albrecht

Deutsche Went the Acquisition Route

Deutsche went the acquisition route in Italy in 1986 when it paid \$603 million for Banca d'America & d'Italia. Its rival, Commerzbank AG, which already has an equity link with Banco Hispano Americano SA in Spain, appears not to want to go it alone and had planned to swap an equity stake with Credit Lyonnais. But banking sources said the deal had been thwarted since there is no sign of the French bank's being privatized. Patrick Vermeulen, an analyst with the Brussels brokerage Dewaay, Sebille, Servais & Compagne, says such defensive moves by banks or companies could form the basis for an aggressive strategy later. Nomura cites Britain's biggest commercial bank, National Westminster Bank PLC, which has just gained a toehold in France by buying five branches from Banque de L'Union Europeenne SA, and West Germany's Deutsche Bank AG, as those likely to succeed. Robert Allemen, president of a foreign banking group within the French Banking Association, predicted that only a handful of Europe's biggest banks — including Deutsche Bank, NatWest and Barclays PLC — would emerge with pan-EC networks.

Hedoniste! Précisez VOLVIC. « Sa délicatesse, sa tendre neutralité préservent plus longtemps les émotions culinaires... »

Asian Dollar Deposits

Table with columns for Term, Rate, and Currency. Includes entries for 1-month, 3-month, 6-month, and 1-year rates for Dollar, D-Mark, Swiss, and others.

Source: Reuters.

U.S. Money Market Funds

Table with columns for Fund Name and Yield. Includes entries for Merrill Lynch Ready Assets and Telerate Interest Rate Index.

Source: Merrill Lynch, Telerate.

Gold

Table with columns for Location, Price, and Change. Includes entries for New York, London, and Zurich.

Source: Reuters.

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AIRBUS: Bonn Approves 4.3 Billion DM in Subsidies

(Continued from first finance page)

Graf Lambsdorff, took the lead in opposing the proposal, contending that it went against the party's liberal, free-market economic policy. Sources in Bonn suggested that he also saw an opportunity to reap publicity and gain political leverage within the coalition.

Chancellor Helmut Kohl's center-right coalition government had spent more than two years trying to get Daimler to take a stake in Messerschmidt, which has a 37.9 percent equity holding in the unprofitable Airbus Industrie through its wholly owned subsidiary, Deutsche Airbus GmbH.

But Edzard Reuter, Daimler's managing board chairman, said from the beginning that insulation from Messerschmidt's exposure to Airbus losses was a precondition of Daimler's involvement. The Airbus consortium consists of aircraft makers from Britain, France, West Germany and Spain.

The plan approved Monday does that, providing Airbus with new subsidies totaling 4.3 billion DM over the next 10 years. About 2.6 billion DM of the total will go to protect Daimler-Messerschmidt's group from any Airbus losses on the A-300, A-310 and A-320 caused by a decline of the dollar to a level of 1.60 DM.

osed to provide exchange-rate guarantees for the new Airbus A-330 and A-340 models, covering 75 percent of the risks until 1998 and 50 percent until the year 2000.

Exchange risks are significant for Airbus, because its products are priced in dollars and it calculates costs on the basis of 2 DM to the dollar, which was fixed in Frankfurt Monday at 1.7845 DM.

The other main condition that the Free Democrats put on their support was that development costs for Airbus should not be subsidized by the state after the year 2000.

Those demands, which officials in Bonn said could have been cleared up at the previous cabinet meeting, dismayed some in Bonn.

Mr. Lambsdorff's concerns about the weight of the role Daimler-Messerschmidt would play in West Germany's military industry appear justified. The company would receive just over one-third of the nation's annual military spending, based on existing contracts.

As more military projects take shape — something that the growing insistence of the United States on burden-sharing by its NATO allies makes likely — Daimler-Messerschmidt's share could rise to as much as 60 percent of total annual military spending, according to some estimates.

Mr. Lambsdorff said he wanted

the government's proposals altered so that by the end of 1999, the state would give up its 20 percent share in the new company containing Messerschmidt's Airbus holding.

In addition, he said that any currency risks in the event the dollar falls below 1.60 DM would remain with the new Airbus subsidiary, in which Messerschmidt is expected to take an 80 percent stake.

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BaE to Receive £150 Million Airbus Loan

LUXEMBOURG — The European Investment Bank said Monday that it would lend up to £150 million (\$265 million) to British Aerospace PLC to help finance the development of a new Airbus A-320 aircraft.

The European Community's development bank said in a statement that it had decided to make the loan because it involved increased cooperation between companies in different EC countries.

The A-320 is a short-to-medium-range passenger jet developed by Airbus Industrie, a consortium that also includes Aer Spaziale of France, Messerschmidt-Bölkow-Blohm GmbH of West Germany and Casa of Spain.

The loan is for 18 years; the company can choose to take up the loan or part of it at any time during a fixed period in one of a number of different currencies.

It is to help finance British Aerospace's share of the development costs.

U.S. Futures

Via The Associated Press

Season	High	Low	Open	High	Low	Close	Chg.	Grains	
								Wheat (CBT)	Corn (CBT)
4.30	4.20	4.10	4.15	4.25	4.35	4.25	+0.10	4.25	3.75
4.25	4.15	4.05	4.10	4.20	4.30	4.20	+0.10	4.20	3.70
4.20	4.10	4.00	4.05	4.15	4.25	4.15	+0.10	4.15	3.65
4.15	4.05	3.95	4.00	4.10	4.20	4.10	+0.10	4.10	3.60
4.10	4.00	3.90	3.95	4.05	4.15	4.05	+0.10	4.05	3.55
4.05	3.95	3.85	3.90	4.00	4.10	4.00	+0.10	4.00	3.50
4.00	3.90	3.80	3.85	3.95	4.05	3.95	+0.10	3.95	3.45
3.95	3.85	3.75	3.80	3.90	4.00	3.90	+0.10	3.90	3.40
3.90	3.80	3.70	3.75	3.85	3.95	3.85	+0.10	3.85	3.35
3.85	3.75	3.65	3.70	3.80	3.90	3.80	+0.10	3.80	3.30
3.80	3.70	3.60	3.65	3.75	3.85	3.75	+0.10	3.75	3.25
3.75	3.65	3.55	3.60	3.70	3.80	3.70	+0.10	3.70	3.20
3.70	3.60	3.50	3.55	3.65	3.75	3.65	+0.10	3.65	3.15
3.65	3.55	3.45	3.50	3.60	3.70	3.60	+0.10	3.60	3.10
3.60	3.50	3.40	3.45	3.55	3.65	3.55	+0.10	3.55	3.05
3.55	3.45	3.35	3.40	3.50	3.60	3.50	+0.10	3.50	3.00
3.50	3.40	3.30	3.35	3.45	3.55	3.45	+0.10	3.45	2.95
3.45	3.35	3.25	3.30	3.40	3.50	3.40	+0.10	3.40	2.90
3.40	3.30	3.20	3.25	3.35	3.45	3.35	+0.10	3.35	2.85
3.35	3.25	3.15	3.20	3.30	3.40	3.30	+0.10	3.30	2.80
3.30	3.20	3.10	3.15	3.25	3.35	3.25	+0.10	3.25	2.75
3.25	3.15	3.05	3.10	3.20	3.30	3.20	+0.10	3.20	2.70
3.20	3.10	3.00	3.05	3.15	3.25	3.15	+0.10	3.15	2.65
3.15	3.05	2.95	3.00	3.10	3.20	3.10	+0.10	3.10	2.60
3.10	3.00	2.90	2.95	3.05	3.15	3.05	+0.10	3.05	2.55
3.05	2.95	2.85	2.90	3.00	3.10	2.95	+0.10	3.00	2.50
3.00	2.90	2.80	2.85	2.95	3.05	2.95	+0.10	2.95	2.45
2.95	2.85	2.75	2.80	2.90	3.00	2.90	+0.10	2.90	2.40
2.90	2.80	2.70	2.75	2.85	2.95	2.85	+0.10	2.85	2.35
2.85	2.75	2.65	2.70	2.80	2.90	2.80	+0.10	2.80	2.30
2.80	2.70	2.60	2.65	2.75	2.85	2.75	+0.10	2.75	2.25
2.75	2.65	2.55	2.60	2.70	2.80	2.70	+0.10	2.70	2.20
2.70	2.60	2.50	2.55	2.65	2.75	2.65	+0.10	2.65	2.15
2.65	2.55	2.45	2.50	2.60	2.70	2.60	+0.10	2.60	2.10
2.60	2.50	2.40	2.45	2.55	2.65	2.55	+0.10	2.55	2.05
2.55	2.45	2.35	2.40	2.50	2.60	2.50	+0.10	2.50	2.00
2.50	2.40	2.30	2.35	2.45	2.55	2.45	+0.10	2.45	1.95
2.45	2.35	2.25	2.30	2.40	2.50	2.40	+0.10	2.40	1.90
2.40	2.30	2.20	2.25	2.35	2.45	2.35	+0.10	2.35	1.85
2.35	2.25	2.15	2.20	2.30	2.40	2.30	+0.10	2.30	1.80
2.30	2.20	2.10	2.15	2.25	2.35	2.25	+0.10	2.25	1.75
2.25	2.15	2.05	2.10	2.20	2.30	2.20	+0.10	2.20	1.70
2.20	2.10	2.00	2.05	2.15	2.25	2.15	+0.10	2.15	1.65
2.15	2.05	1.95	2.00	2.10	2.20	2.10	+0.10	2.10	1.60
2.10	2.00	1.90	1.95	2.05	2.15	2.05	+0.10	2.05	1.55
2.05	1.95	1.85	1.90	2.00	2.10	2.00	+0.10	2.00	1.50
2.00	1.90	1.80	1.85	1.95	2.05	1.95	+0.10	1.95	1.45
1.95	1.85	1.75	1.80	1.90	2.00	1.90	+0.10	1.90	1.40
1.90	1.80	1.70	1.75	1.85	1.95	1.85	+0.10	1.85	1.35
1.85	1.75	1.65	1.70	1.80	1.90	1.80	+0.10	1.80	1.30
1.80	1.70	1.60	1.65	1.75	1.85	1.75	+0.10	1.75	1.25
1.75	1.65	1.55	1.60	1.70	1.80	1.70	+0.10	1.70	1.20
1.70	1.60	1.50	1.55	1.65	1.75	1.65	+0.10	1.65	1.15
1.65	1.55	1.45	1.50	1.60	1.70	1.60	+0.10	1.60	1.10
1.60	1.50	1.40	1.45	1.55	1.65	1.55	+0.10	1.55	1.05
1.55	1.45	1.35	1.40	1.50	1.60	1.50	+0.10	1.50	1.00
1.50	1.40	1.30	1.35	1.45	1.55	1.45	+0.10	1.45	0.95
1.45	1.35	1.25	1.30	1.40	1.50	1.40	+0.10	1.40	0.90
1.40	1.30	1.20	1.25	1.35	1.45	1.35	+0.10	1.35	0.85
1.35	1.25	1.15	1.20	1.30	1.40	1.30	+0.10	1.30	0.80
1.30	1.20	1.10	1.15	1.25	1.35	1.25	+0.10	1.25	0.75
1.25	1.15	1.05	1.10	1.20	1.30	1.20	+0.10	1.20	0.70
1.20	1.10	1.00	1.05	1.15	1.25	1.15	+0.10	1.15	0.65
1.15	1.05	0.95	1.00	1.10	1.20	1.10	+0.10	1.10	0.60
1.10	1.00	0.90	0.95	1.05	1.15	1.05	+0.10	1.05	0.55
1.05	0.95	0.85	0.90	1.00	1.10	1.00	+0.10	1.00	0.50
1.00	0.90	0.80	0.85	0.95	1.05	0.95	+0.10	0.95	0.45
0.95	0.85	0.75	0.80	0.90	1.00	0.90	+0.10	0.90	0.40
0.90	0.80	0.70	0.75	0.85	0.95	0.85	+0.10	0.85	0.35
0.85	0.75	0.65	0.70	0.80	0.90	0.80	+0.10	0.80	0.30
0.80	0.70	0.60	0.65	0.75	0.85	0.75	+0.10	0.75	0.25
0.75	0.65	0.55	0.60	0.70	0.80	0.70	+0.10	0.70	0.20
0.70	0.60	0.50	0.55	0.65	0.75	0.65	+0.10	0.65	0.15
0.65	0.55	0.45	0.50	0.60	0.70	0.60	+0.10	0.60	0.10
0.60	0.50	0.40	0.45	0.55	0.65	0.55	+0.10	0.55	0.05
0.55	0.45	0.35	0.40	0.50	0.60	0.50	+0.10	0.50	0.00
0.50	0.40	0.30	0.35	0.45	0.55	0.45	+0.10	0.45	-0.05
0.45	0.35	0.25	0.30	0.40	0.50	0.40	+0.10	0.40	-0.10
0.40	0.30	0.20	0.25	0.35	0.45	0.35	+0.10	0.35	-0.15
0.35	0.25	0.15	0.20	0.30	0.40	0.30	+0.10	0.30	-0.20
0.30	0.20	0.10	0.15	0.25	0.35	0.25	+0.10	0.25	-0.25
0.25	0.15	0.05	0.10	0.20	0.30	0.20	+0.10	0.20	-0.30
0.20	0.10	0.00	0.05	0.15	0.25	0.15	+0.10	0.15	-0.35
0.15	0.05	-0.05	0.00	0.10	0.20	0.10	+0.10	0.10	-0.40
0.10	0.00	-0.10	0.00	0.05	0.15	0.05	+0.10	0.05	-0.45
0.05	-0.05	-0.15	0.00	0.00	0.10	0.00	+0.10	0.00	-0.50
0.00	-0.10	-0.20	0.00	-0.05	0.05	-0.05	+0.10	-0.05	-0.55
-0.05	-0.15	-0.25	0.00	-0.10	0.00	-0.10	+0.10	-0.10	-0.60
-0.10	-0.20	-0.30	0.00	-0.15	-0.05	-0.15	+0.10	-0.15	-0.65
-0.15	-0.25	-0.35	0.00	-0.20	-0.10	-0.20	+0.10	-0.20	-0.70
-0.20	-0.30	-0.40	0.00	-0.25	-0.15	-0.25	+0.10	-0.25	-0.75
-0.25	-0.35	-0.45	0.00	-0.30	-0.20	-0.30	+0.10	-0.30	-0.80
-0.30	-0.40	-0.50	0.00	-0.35	-0.25	-0.35	+0.10	-0.35	-0.85
-0.35	-0.45	-0.55	0.00	-0.40	-0.30	-0.40	+0.10	-0.40	-0.90
-0.40	-0.50	-0.60	0.00	-0.45	-0.35	-0.45	+0.1		

BUSINESS ROUNDUP

Hong Kong's Biggest Share Offer Set

Compiled by Our Staff From Dispatches
HONG KONG — Hong Kong Telecommunications Ltd., which was formed early this year by a merger of Hong Kong Telephone and Cable & Wireless PLC of Britain, said Monday that it would make a public share offer in December that will be Hong Kong's biggest.

Of these, 187 million would be offered publicly in the United States and the balance elsewhere. The company described its strategy as an effort to widen its shareholder base. The share placement, first announced when the company was formed in January, had been set for September but was delayed "because of the market situation," said a Telecommunications spokeswoman. "Now the market is right," she added.

Listed companies in Hong Kong are required to make at least 25 percent of issued shares available to the public, Mr. Gale said that since the government will own less than 10 percent of the capital after the placement, the stock exchange has agreed to count the government stake as part of the free float. Also on Monday, the company said that its net profit for the year ending March 31, 1989, was unlikely to be less than 3.59 billion Hong Kong dollars, up from 2.99 billion dollars in the previous year.

Scandal Pushes NTT's Shares To a 1988 Low

TOKYO — The price of Nippon Telegraph & Telephone Corp. fell on the Tokyo Stock Exchange on Monday after a company officer resigned over his involvement in the Recruit Cosmos scandal. NTT shares lost 70,000 yen to close at a 1988 low of 1.73 million yen each (\$13,800). Koza Murata, secretary to NTT's chairman, Hisashi Shinto, resigned on Saturday after admitting he had bought unlisted shares of Recruit Cosmos Co. A controversy regarding ownership of the shares. NTT's share price has started to slide recently as investors shift away from poorly performing high technology issues, brokers said. Some investors who bought NTT at 1.9 million yen a share in the third sale of government-owned stock on Oct. 30 and 21 are selling to cut their costs.

Mitsubishi Listing a Boon for Many

TOKYO — Mitsubishi Motors Corp.'s share price is likely to jump when the company is listed next month, but many investors may have to settle for the next best thing: a rise in the shares of companies riding on MMC's coattails. MMC's own share price could well rise 10 to 15 percent from the 850 yen (\$6,801) said to have been set for the 70.3 million new shares to be issued when it is listed on the Tokyo, Osaka and Nagoya stock exchanges, industry analysts said. But not all who want the shares are likely to get them. Brokers have already received buying orders for greater than the 70.3 million shares, brokerage spokesmen said. Single investors will be limited to 1,000 shares each. "Individuals are frustrated because they can't get the shares from brokers," said Tony Moyer of SBCI Securities (Asia) Ltd. He added that, except for a core group of companies with business ties to MMC, there appeared little chance that institutions would be able to buy as many shares as they wanted. "With individuals champing at the bit and institutions outside the core completely excluded, it looks like it's set up for a nice run," he said. The new shares will account for only about 9 percent of Mitsubishi Motors' total shares outstanding and prospects are slim that existing corporate shareholders will sell in large amounts, some analysts said. "Corporate shareholders view them as a long-term commitment to MMC," Mr. Moyer said. "In terms of corporate relations, it would be unacceptable for them to put the shares on the market." While several analysts said Mitsubishi Motors' price could easily climb to 1,000 yen, a broker at a big Japanese securities house warned against expecting too much. "I think the issue price of 850 yen is appropriate," the broker said. "Whether it will go up further remains to be seen." But many investors, betting that the price of Mitsubishi Motors, Japan's fifth largest automaker, will rise and worried that they may not be able to buy in soon enough, are already looking for good alternatives, brokers said. Two categories of shares have already made gains and could rise again as MMC's listing nears, although some declined on profit-taking last week. Among other car and truck makers, Mazda Motor Corp. hit a year's high of 820 yen and Nissan Diesel Motor Co. a year's high of 842 on Oct. 28. Isuzu Motors Ltd. hit a peak of 1,040 yen on Oct. 29. Further gains are still possible, analysts said. Auto shares that have yet to rise on Mitsubishi Motors' coattails include Hino Motors Ltd., Nissan Motor Co., Toyota Motor Corp. and Honda Motor Co. These shares are now well off their year's highs, reached in July. "If MMC's share price jumps, people may take a look at their old friends and say they look cheap," one analyst said. Corporations owning MMC shares are also attracting buyers. Mitsubishi Heavy Industries Ltd., MMC's largest shareholder, rose 10 to close at 1,010 yen on Monday, still off its year's high of 1,060, reached on Oct. 29.

TWA Studies Growth by Acquisition

NEW YORK — Trans World Airlines Inc., which was taken private last month by Carl C. Icahn, said Monday that it was considering the acquisition of another airline as the best way to expand. The airline also said it was considering an order for up to 60 aircraft within three to six months and announced that its president, Joseph Corr, had resigned. Mr. Icahn, who is chairman of TWA and owns 90 percent of the airline, said in a statement that "there is no question TWA must grow to thrive" and that "by far the most preferable way to grow" is through acquisitions. He said that unless an acquisition of major importance was made, TWA would order 30 to 60 narrow-body aircraft in the next three to six months. The statement also indicated that the aircraft could be ordered even if TWA made an acquisition. TWA also said it was restructuring senior management. Jerry Nichols, former senior vice president of ground operations, was named executive vice president, a director and a member of the newly formed Office of the Chairman, which also includes Mr. Icahn and Alfred Kingsley, a TWA director. Mr. Corr joined TWA in April 1986 as vice chairman and became president in January 1987. He will remain a director of TWA.

EC: Ministers Split on Bank Issues

(Continued from first finance page) such rules may be used to keep banks from other countries out of a new "fortress Europe." Diplomats said that EC finance ministers at a first meeting on banking reciprocity on Monday wanted the commission's banking proposals spelled out more clearly. The talks also indicated that the ministers would be divided even with a more clearly defined concept of reciprocity, the diplomats said. "This was a first round-table political discussion of the subject and there was very much skepticism," said Hans Jietmeyer, deputy West German finance minister. He said there had been reservations about the principle itself, the definition of reciprocity and procedures for applying it. Finance Minister Philippe Maystadt of Belgium said the commission had been asked to be more specific about reciprocity. He said: "We want to know more precisely how it would be applied." The commission, seeking to dispel fears outside the community, said last month that the reciprocity test would not apply to foreign banks already in the EC in 1992.

Midland Stake In Italian Bank Is Discussed

LONDON — Midland Bank said Monday that it was negotiating with the Italian investment bank Euromobiliare about possibly increasing its stake in the Italian bank. "We consider Italy a key market," a bank spokesman said. "We have a 3 percent stake in Euromobiliare, and it is one of the options available." But the spokesman refused comment on a report that a Midland purchase of a 40 percent stake in Euromobiliare might be agreed upon as early as Wednesday. Press reports said Midland was at an advanced stage of negotiations on taking a controlling stake. The report said Midland would probably pay about 90 billion lire (\$68 million) to raise its stake from 3.14 percent to around 40 percent, making Midland a major presence in Italian finance.

Valeo Dropping Its Hostile Offer for Epéda

PARIS — Valeo SA, the French auto components group, announced Monday that it was dropping its hostile bid for Epéda-Bertrand Faure, a maker of car seats, weapons, luggage and bedding. The chairman of Valeo, Noël Goussard, said the concern would give up its takeover bid to avoid "wild bidding" for Epéda. Valeo has been effectively controlled for two years by the Italian businessman Carlo de Benedetti. Mr. Goussard said he would withdraw his bid for 58.8 percent of Epéda's capital as soon as a competing bid from a group led by Epéda's chairman, Pierre Réhier, receives approval from authorities to make it irrevocable. The Valeo bid for Epéda is slightly less favorable than the competing bid. Valeo was offering 1,200 francs (\$197), including a 700-franc convertible bond, compared with 1,250 francs per share offered for all of Epéda's capital by Mr. Réhier and his allies: Compagnie Générale des Etablissements Michelin, Crédit Commercial de France, AGF, Crédit Agricole, Compagnie du Midi, GAN, Société Générale and PSA auto group.

Japan's Sumitomo Bank Is Listed on Paris Bourse

PARIS — Sumitomo Bank Ltd., moving to expand its presence in Europe, will list its stock on the Paris Bourse on Nov. 16, the first listing for the bank's shares outside Japan, Sumitomo said Monday. Officials of the bank, ranked as the world's second largest after Dai-ichi Kangyo in terms of assets, said at a news conference that Sumitomo also planned to have its shares traded soon on the London Stock Exchange. Sotoku Tatsumi, Sumitomo's president, said Paris was chosen because "we are thinking of the 1992 market, and that Paris will confirm its role as an economic and financial center." Japanese enterprises, fearful of being at a disadvantage in the European Community after the dismantling of trade and financial barriers by 1992, have been building up their EC operations. Sumitomo also said that it would upgrade its Paris representative office to a full branch on Nov. 28. The branch would be Sumitomo's seventh in Europe. Mr. Tatsumi also said the bank would envisage a European acquisition "if it is a good one." Jacques-Henri Wahl, president of France's state-run Banque Nationale de Paris, said BNP, Crédit Commercial de France and Daiwa Securities Co. would "assist" with the placement of Sumitomo shares on the Paris market. Mr. Wahl refused to say what volume of shares the backers hoped would trade in Paris. He said a "reference price," based on the Tokyo price Aug. 31, would be 160 francs (\$26). The bank has about 2.64 billion shares on issue. Sumitomo, bolstering its capital to meet new international capital requirements, has raised 125 billion yen (about \$1 billion) by convertible bond issues and 160 billion yen by share issues since May. Mr. Tatsumi said. As of March 31, Sumitomo had 45.08 trillion yen in assets and 1.04 trillion yen in equity.

Peace Overture On Générale

PARIS — Georges Pébereau, head of an investment group that has taken a 9.16 percent stake in Société Générale, said Monday that he had no intention of mounting a takeover bid for France's third largest bank. Instead, Mr. Pébereau, president of Marceau Investissements, said he wanted to pursue discussions with Société Générale's management. "There isn't a battle, so there won't be a winner or loser," Mr. Pébereau said in his first public statement since announcing Oct. 24 that Marceau had acquired the largest single stake in the bank since it was privatized in June 1987. The banking committee of the Banque de France gave final approval Monday for Marceau to acquire up to 20 percent of Société Générale's shares.

PILLSBURY: Spin-Off Planned

(Continued from first finance page) pizza products, would be streamlined. The board also directed management to "continue to explore additional ways to enhance shareholder values." Last month, Pillsbury's board rejected Grand Metropolitan's \$5.23 billion takeover bid as inadequate, and Monday the food and restaurant giant repeated its plea that shareholders not tender their stock to the British company. Mr. Smith said the spin-off of the Miami-based Burger King and its distribution arm, Distron, "will create two major public companies that are clearly focused and leaders in their respective industries," which are food and restaurants. Pillsbury said the transaction would be tax-free for the both company and shareholders. But Pillsbury noted that shareholders could end up paying taxes on their gains if the company were acquired by a third party. Grand Metropolitan, in its response to the spinoff proposal, cited Pillsbury's admission that the move could impose a significant tax cost on Pillsbury and its stockholders that would be avoided by the acquisition. The company also said that Pillsbury's announcement did not give any details regarding the timing or amount of the cash and securities to be payable after the spinoff. Mr. Smith said the company had been in the final stages of developing a program to address problems that have produced disappointing earnings at Pillsbury and Burger King before Grand Metropolitan's unsolicited bid. (AP, Reuters)

HYUNDAI: Broader Market

(Continued from first finance page) will be going head to head with the Japanese and Detroit's low-end family cars. "I think its fair to categorize it as a tougher part of the market," said Jack Collins, director of marketing for Hyundai Motor America. "The customers are likely to be a little older, more experienced and demanding. We had a lot of first-time buyers with the Excel." Hyundai is testing the Canadian market before selling the Sonata in the United States. The new model was officially introduced in Windsor on Oct. 17, but will not reach U.S. showrooms until late November or early December. The strategy has been used before. In the early 1980s, when it was still unknown as an automaker, Hyundai introduced the rear-drive Pony model in Canada. Attracted by the low price of the Pony, Canadians quickly made it the leading auto import, although sales dropped sharply after problems with the model became known. Hyundai tried moving out of the low end of the market once before, when it tested the Stellar in Canada. The model, originally designed for the South Korean market, failed to impress many Canadian buyers. Hyundai withdrew the model after it, too, developed quality problems. "Hyundai's strategy is to make all its mistakes in Canada and then launch into the United States," Mr. DesRosiers said. "They did not even try to sell the Pony or Stellar in the U.S. because they knew they would not be successful." The result has been a roller-coaster ride for Canadian Hyundai dealers. In the first nine months of 1987, they sold 40,000 cars. With the Pony and Stellar off the market, only 24,000 Hyundais were sold in the comparable period this year. Dealers in the United States have had an easier time, although the rapid sales growth of the first two years has leveled off. U.S. dealers sold 208,000 Excels in the first nine months of this year, up a bit from 205,000 in the period a year earlier. Since both the Sonata and Excel are based on designs by Mitsubishi Motor Co. of Japan, which is affiliated with Hyundai, the cars have no significant technical advantage over Mitsubishi imports. But Hyundai again plans to use price as its main selling point. In Canada the basic Sonata GL model sells for 12,999 Canadian dollars (\$10,600), about 3,000 dollars less than comparable Honda or Toyota models. Despite the low price, the basic model is not stripped down. The Sonata GL comes with power steering, a tilt steering wheel, an electric window defroster and an AM-FM radio with a cassette player. "That's a lot of car for the money," Mr. Horner said. "Hyundai didn't just underprice those others by a little. They planned all along to underprice by a wide margin."

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Guaranteed Fund Launch

Advertisement for London Portfolio Guaranteed Company I Ltd. featuring a rocket illustration and text describing the fund's features, including capital guarantee, strategic investment, and rigorous selection of trading advisors.

HIGH YIELD

Advertisement for Institutional Investor magazine, highlighting its 20-year history, advertising match program, and high yield investment focus.

BNP Mortgages advertisement offering special terms for expatriates resident in UK, including 100% mortgages available and fast, personalized service.

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

13 Month High	Low	Stock	Div.	Yld. PE	52 High	Low	Close	Chg.
110	105	IBM	6.00	4.5	110	105	108.50	+0.25
115	110	AT&T	4.00	4.5	115	110	112.00	+0.50
120	115	GE	3.00	4.5	120	115	118.00	+0.25
125	120	AMC	2.00	4.5	125	120	122.00	+0.25
130	125	AMT	1.50	4.5	130	125	128.00	+0.25
135	130	AMR	1.00	4.5	135	130	132.00	+0.25
140	135	ANA	0.50	4.5	140	135	138.00	+0.25
145	140	ANB	0.50	4.5	145	140	142.00	+0.25
150	145	ANF	0.50	4.5	150	145	148.00	+0.25
155	150	ANR	0.50	4.5	155	150	152.00	+0.25
160	155	ANW	0.50	4.5	160	155	158.00	+0.25
165	160	ANX	0.50	4.5	165	160	162.00	+0.25
170	165	ANZ	0.50	4.5	170	165	168.00	+0.25
175	170	ANB	0.50	4.5	175	170	172.00	+0.25
180	175	ANF	0.50	4.5	180	175	178.00	+0.25
185	180	ANR	0.50	4.5	185	180	182.00	+0.25
190	185	ANW	0.50	4.5	190	185	188.00	+0.25
195	190	ANX	0.50	4.5	195	190	192.00	+0.25
200	195	ANZ	0.50	4.5	200	195	198.00	+0.25

13 Month High	Low	Stock	Div.	Yld. PE	52 High	Low	Close	Chg.
10	5	IBM	6.00	4.5	110	105	108.50	+0.25
15	10	AT&T	4.00	4.5	115	110	112.00	+0.50
20	15	GE	3.00	4.5	120	115	118.00	+0.25
25	20	AMC	2.00	4.5	125	120	122.00	+0.25
30	25	AMT	1.50	4.5	130	125	128.00	+0.25
35	30	AMR	1.00	4.5	135	130	132.00	+0.25
40	35	ANA	0.50	4.5	140	135	138.00	+0.25
45	40	ANB	0.50	4.5	145	140	142.00	+0.25
50	45	ANF	0.50	4.5	150	145	148.00	+0.25
55	50	ANR	0.50	4.5	155	150	152.00	+0.25
60	55	ANW	0.50	4.5	160	155	158.00	+0.25
65	60	ANX	0.50	4.5	165	160	162.00	+0.25
70	65	ANZ	0.50	4.5	170	165	168.00	+0.25
75	70	ANB	0.50	4.5	175	170	172.00	+0.25
80	75	ANF	0.50	4.5	180	175	178.00	+0.25
85	80	ANR	0.50	4.5	185	180	182.00	+0.25
90	85	ANW	0.50	4.5	190	185	188.00	+0.25
95	90	ANX	0.50	4.5	195	190	192.00	+0.25
100	95	ANZ	0.50	4.5	200	195	198.00	+0.25

13 Month High	Low	Stock	Div.	Yld. PE	52 High	Low	Close	Chg.
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65	60	ANX	0.50	4.5	165	160	162.00	+0.25
70	65	ANZ	0.50	4.5	170	165	168.00	+0.25
75	70	ANB	0.50	4.5	175	170	172.00	+0.25
80	75	ANF	0.50	4.5	180	175	178.00	+0.25
85	80	ANR	0.50	4.5	185	180	182.00	+0.25
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INTERNATIONAL Herald Tribune

SPECIAL AMERICAN ELECTION PROGRAMS ON FRENCH TELEVISION TF1

TUESDAY, NOVEMBER 8
8 to 8:30 p.m. — Live from Washington: Patrick Poirer d'Arvor in the offices of Associated Press.
10:45 p.m. to 6 a.m. — "La Nuit Americaine" (special election program).
Guest stars will join Christophe Dechavanne, Dominique Bromberger and IHT journalist Joe Fitchet for a night of interviews, music and in-depth reports on major American issues. Live interviews with Pierre Mehaignerie, Louis Mermeas, Jean François-Poncet and Dominique Strauss-Kahn. Plus regular live election updates from Washington, Boston and Houston.

WEDNESDAY, NOVEMBER 9
6 to 7:40 a.m. — Special edition of the TF1 Morning News live from the Inter-Continental Hotel. IHT Executive Editor John Vinocur will join TF1 news editors Robert Namias, Dominique Bromberger and Gerard Carreyrou.
Latest election returns will be punctuated by interviews with political and business figures, including Mr. Valéry Giscard d'Estaing, Mr. Philippe Seguin, and the chairmen of leading international firms based in France.
1 p.m. — News broadcast: Jean-Pierre Pernaut and IHT Executive Editor John Vinocur will comment on the election results.
8 to 8:30 p.m. — Patrick Poirer d'Arvor will broadcast his evening news program direct from the AP Washington office.

Floating-Rate Notes

Dollars

Issuer/Rate	Coupon	Maturity	Bid	Asked
Alcoa Floating Rate	4.00	11/15/88	102.75	103.00
Alcoa Floating Rate	4.00	11/15/89	102.75	103.00
Alcoa Floating Rate	4.00	11/15/90	102.75	103.00
Alcoa Floating Rate	4.00	11/15/91	102.75	103.00
Alcoa Floating Rate	4.00	11/15/92	102.75	103.00
Alcoa Floating Rate	4.00	11/15/93	102.75	103.00
Alcoa Floating Rate	4.00	11/15/94	102.75	103.00
Alcoa Floating Rate	4.00	11/15/95	102.75	103.00
Alcoa Floating Rate	4.00	11/15/96	102.75	103.00
Alcoa Floating Rate	4.00	11/15/97	102.75	103.00
Alcoa Floating Rate	4.00	11/15/98	102.75	103.00
Alcoa Floating Rate	4.00	11/15/99	102.75	103.00
Alcoa Floating Rate	4.00	11/15/00	102.75	103.00
Alcoa Floating Rate	4.00	11/15/01	102.75	103.00
Alcoa Floating Rate	4.00	11/15/02	102.75	103.00
Alcoa Floating Rate	4.00	11/15/03	102.75	103.00
Alcoa Floating Rate	4.00	11/15/04	102.75	103.00
Alcoa Floating Rate	4.00	11/15/05	102.75	103.00
Alcoa Floating Rate	4.00	11/15/06	102.75	103.00
Alcoa Floating Rate	4.00	11/15/07	102.75	103.00
Alcoa Floating Rate	4.00	11/15/08	102.75	103.00
Alcoa Floating Rate	4.00	11/15/09	102.75	103.00
Alcoa Floating Rate	4.00	11/15/10	102.75	103.00

THE EUROMARKETS

will be featured in a special financial report, prepared by the editors of the International Herald Tribune. It will appear on Monday November 21st. Don't miss this important issue.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post



سكربت من الأصل

CURRENCY MARKETS

Dollar Drops Before U.S. Election

NEW YORK — The dollar finished lower after dull trading before the U.S. presidential election on Tuesday, with dealers ascribing most of the movement to adjustment of positions by operators.

The dollar fell to 1.7778 Deutsche marks at the close in New York, from 1.7895 DM at Friday's close, while it slipped to 124.55 yen from 125.00.

The British pound rose to close at \$1.7798 from Friday's \$1.7680. The dollar also weakened to 1.4890 Swiss francs from 1.5003 and to 6.0675 French francs from 6.1090.

On Monday, "there was some position squaring after the strong move-up on the unemployment

London Dollar Rates

Table with 3 columns: Currency, Bid, Ask. Includes Deutsche mark, Swiss franc, French franc.

Most traders had already squared their positions in preparation for the U.S. election. No strong dollar movement was expected until the result becomes known, early Wednesday morning European time.

Dollar Fears Played Down By Bankers

BASEL — Central bankers from the Group of 10 industrial countries on Monday played down worries about the impact of the U.S. presidential election on currency markets.

They said the report last Friday on U.S. unemployment for October had helped stabilize the dollar. The Bank of Japan governor, Satoshi Sumita, said after a monthly meeting of the Bank for International Settlements that he thought markets were stable, but declined to comment on the dollar/yen rate.

World Stock Markets Dip on Pre-Election Jitters

LONDON — Leading stock markets slipped Monday as investors started to worry about the outcome of Tuesday's presidential election in the United States.

Latest opinion polls show the Democratic challenger, Michael S. Dukakis, closing in on the Republican candidate, George Bush. Financial markets generally would prefer to see Mr. Bush in the White House, but there is still concern about how either man would tackle the U.S. trade and budget deficits.

Bush does win, the lack of a clear U.S. economic policy will probably mean a rally will not last too long.

A Frankfurt dealer said, "Until the election is over nobody will want to take a position. Once it's over we will have to look to see how the dollar and the bond market respond. Then we can re-evaluate the stock market's prospects."

Lower share prices in New York and London also reflected concern about possibly higher U.S. interest rates to cool a rapidly expanding economy.

Here is how key stock markets outside the United States ended on Monday. London: Prices ended down, with the Financial Times index of 100 blue chips closing 14.6 points

lower at 1,819.7 because of worries about the outcome of the election and renewed weakness on Wall Street.

Hang Seng index ended 17.49 points lower at 2,567.02. Sydney: The national share market closed weaker after a dull day. Dealers said sentiment was expected to remain negative at least until the U.S. election.

Japanese Still Stash More Cash Than the Average Swiss

GENEVA — Japan retained its position as the world leader in savings per capita last year, beating Switzerland for a second straight year, according to an international survey published Monday.

The study by the International Savings Bank Institute also noted a trend toward more traditional methods of saving in the aftermath of the collapse of stock prices last year.

Switzerland was followed by Belgium, where savings averaged \$17,987; West Germany, at \$16,102; and Austria, at \$13,269.

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stood at \$6,130 last year, and the rate in Britain was \$6,546.

The countries with the lowest savings, according to the institute's survey, were Niger, at \$7; Ethiopia, \$18; and Senegal, \$69.

1986 stood at \$9,529, slightly lower than in 1987.

The report was based on figures provided by its 3,000 affiliated banks in 75 countries.

Canadian Dollar, Markets Dive on Poll Results

OTTAWA — The Bank of Canada and the Bank of England intervened in foreign exchange markets Monday to support the Canadian dollar, which plunged against the U.S. dollar after a poll was released showing the Liberal Party with a commanding lead two weeks before national elections.

Stock and bond prices also fell sharply on the results of the poll. Analysts said the sell-off reflected concern about the fate of the free trade agreement between Canada and the United States, which the Liberals have vowed to cancel if elected.

In New York, the Canadian dollar fell Monday to 80.94 U.S. cents from 81.64 on Friday. With two weeks remaining before the Nov. 21 vote, a Gallup Poll released Monday showed the Liberal Party of John Turner in the lead, with the support of 43 percent of voters.

accord with the United States, had fallen to second place with the support of 31 percent of voters.

Traders said the Conservative government's trade agreement had attracted a lot of offshore money that had lifted the Canadian dollar. Now that it appears the government will not win enough parliamentary seats to pass the deal, the currency has come under pressure.

When a Gallup Poll was released Oct. 31 showing that support for the Conservatives was slipping, the Canadian dollar fell nearly 1.5

U.S. cents — its biggest one-day fall in more than a decade.

All that hot money that everyone was crowding about is now flowing out," remarked Kevin Vanderplank, vice president of money trading at Bank of America Canada in Toronto.

On the Toronto Stock Exchange, the composite index tumbled 75.20 points to close at 3,260.70, as declines outnumbered advances by a 5-1 ratio. Volume was a heavy 14.6 million shares.

Bond prices also sank across the board, dealers said.

South African Reserves Plunged in October

PRETORIA — South Africa's dwindling gold and foreign-exchange reserves fell in October for the fifth consecutive month, to 4.615 billion rand (\$1.85 billion), down from 5.091 billion rand in September, the Reserve Bank said Monday.

In dollar terms, the combined gold and reserves were down to \$1.883 billion from \$2.04 billion in September, the central bank said. Gold holdings fell again in October to a value of 2.966 billion rand from 3.605 billion, on the basis of a valuation price of 910.08 rand per ounce in October, compared with 890.17 rand in September.

The gold and foreign reserves in October totaled less than one and a half months' imports. Total imports for September were valued at 3.63 billion rand. This level of import cover is well below the two months regarded by some economists as seriously deficient.

The dwindling reserves reflect a drain on the current account, which recorded a surplus of only 960 million rand in the second quarter of 1988 after registering a small deficit in the first quarter.

percent against the dollar this year and even more steeply against the British pound.

The Reserve Bank has run down reserves by nearly 25 percent since the end of December 1987, when they stood at 6.14 billion rand. The dollar value of the reserves has fallen by 40 percent over this period.

Monday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 100 most traded securities in terms of dollar volume.

Table of OTC prices for various stocks including AAPL, IBM, and others.

Table of stock prices for various companies including IBM, GE, and others.

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Sales figures are unofficial. Yearly highs and lows reflect trading day, where a split or stock dividend, but not the highest or lowest price in the year. Dividend data is based on the most recent dividend data available. Dividend data is based on the most recent dividend data available.

BOOKS

DICKENS

By Fred Kaplan. Illustrated. 607 pages. \$24.95. William Morrow, 105 Madison Avenue, New York, N. Y. 10016.

Reviewed by John Gross

FRED KAPLAN'S "Dickens" is the first full-scale biography of the novelist since Edgar Johnson's two-volume life appeared in 1952. It would be valuable if only because it takes into account the reams of research that have been published in the intervening years...

At one level Dickens's career was a literary success story without precedent (in large part because before his time there had never been a mass readership on the scale of the one to which he appealed)...

His beginnings were dingy, cramped and insecure. He died, rich and famous, in his house at Gad's Hill, in Kent—the same house that his father had pointed out to him when he was a child, telling him that if he worked hard...

The story has a fairy-tale quality. Yet it was a fairy tale without an authentic happy ending, as he himself knew, none better. He once described himself in his notebooks as a man "always, as it were, playing hide and seek with the world, and never finding what Fortune seems to have hidden when he was born."

When he was born, or at any rate when he was very young, Kaplan tracks Dickens's troubles back to the

unhealed wounds of childhood, as any biographer, given the evidence, must—to the sense of his father's inadequacy and his mother's seeming indifference, both converging in their decision to consign him to a blacking factory when he was 12. The story is a familiar one, but Dickens himself was so much under its spell that it loses none of its power in the retelling.

If Kaplan does justice to Dickens's inner life, it is at the expense of his public career. He writes with equal vigor about Dickens the social reformer, Dickens as a father, Dickens in his often stormy dealings with publishers, and I particularly admire the way in which, without overloading his book, he finds adequate space for excellent portraits of Dickens's friends.

And what of the man at the center of the story? You have a renewed sense, as you read Kaplan, that he was a genius of the first order, a tornado of energy, a force for public good. Exactly how fitable he was is another matter.

Kaplan sums up one aspect of his character very well: "Generous when unchallenged, his notion of compromise was total victory." That in itself was no doubt a trait inseparable from his genius. What one is less prepared for, after all the Christmas sentiments, is how hard and unyielding he could be.

This side of his character was seen at its worst after the break-up of his marriage. Anger was inevitable and understandable: it was angry pride, a determination to prove himself totally in the right, that led him to behave in many ways, as his daughter Kate said long afterward, "like a madman."

Kaplan sets out the whole sorry story of the marriage with notable objectivity. He also establishes more clearly than anyone else I have read how closely Dickens's decision to start giving public readings was linked to his marital troubles, to his desperate need for an emotional outlet. On the readings themselves, he is first-rate; but then he manages to sustain a high level of interest through every major episode of the novelist's career, and most of the minor ones.

John Gross is on the staff of The New York Times.

CHESS

By Robert Byrne

IN a stunning surprise, a virtual unknown, 15-year-old Joel Lautier of France, won the world junior championship last month in Adelaide, Australia.

In the 13-round Swiss-system tournament for players under 20 years of age, Lautier scored 9-4, which was equaled by the Soviet luminaries Vasily Ivanchuk, Boris Gelfand and G.Serper, but the French youngster beat them out on tie-break points.

Lautier used sophisticated pawn play to defeat Chakurina of Zimbabwe.

Those who use the Alapin Variation with 2 c3 aim to get away from the most heavily trodden paths of the Sicilian Defense. Thus, it is not uncommon to arrive at a French Defense after 2...e6 3 d4 4 d5, as in the present game.

The advance 5 c4 avoids the chance that a timely d2 would leave Black with an isolated pawn on a half-open file, but it allows White to achieve a pawn preponderance in the

center after 8 b3 ch 9 ab Nb6 10 c4. There would have been no point in 12 Ng5 because 12...Bf5! 13 cd Nb4 14 Bc4 a6 recovers the pawn with a good position.

Had White the time for 22 f5, the game might have had a different outcome, but unfortunately for Chakurina, 22...Ne5! 23 Be5 Qd5 will win a pawn for Black.

Chakurina failed to fathom Lautier's plans and erred with 23 Qe7 f6, which allowed Black to block any effective advance of the c-pawn. King-side pawn majority. After 27...Rf8, it can be seen that White was on the defensive all over the board.

The blow that toppled his position was Lautier's 29...g5! Since 30 g3 would allow a decisive king march to e4, Chakurina exchanged with 30 fg hg and blocked the black king's path with 31 g4.

Turning his attention to the queen-side, Lautier destroyed the white pawns there with 39...a5! After 43...Kg7, there could have followed 44 Re1 d2 45 Rd1 Re1 winning a rook. Chakurina gave up.



Position after 29 Bx2

Table with columns for White and Black pieces and their positions on the board.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Nov. 7

Table of stock market data for various regions including Amsterdam, Frankfurt, London, and others.

Table of stock market data for various regions including Tokyo, Hong Kong, Singapore, and others.

ACROSS

- 1 Tweed was one 5 "M*A*S*H" role 10 King of humor 14 Touch upon 15 Sidestep 16 One of the Youngers 17 Chesterfield 18 Popular politician 20 Bulk 21 Flock mom 22 Built 23 Builds 25 Egyptian deity 26 Banquets 28 Support 33 Work unit 34 Modern chair designer 36 Provocative 37 Missing a suit, in bridge 39 Hire 41 Herknot or Harlow 42 Four-door flop 44 Kind of theater 46 Magnon 47 Abjures 48 Followed a regimen 51 Turn down 52 Old Italian coin 53 Legal move 54 Letter opener 58 Tabriz is here 61 Hopfuts at the polls 63 O. Henry product 64 Gray of "Buck Rogers" 65 The Four Hundred 66 Siouan of Okla. 67 Actress Wynter 68 Seen less 69 English horn

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WEATHER

Table of weather forecasts for various regions including Europe, Asia, North America, Africa, Latin America, and Oceania.

DOWN

- 1 Blowout 2 Haulboy 3 Woodcut or Parkhurst 4 Union members 5 Setback 6 Promises 7 Prom partner 8 Humorst George 9 Rue 10 "The Frogs" kickoff, e.g. 11 Four-door flop 12 Helmsman's call 13 Wimp's cousin 18 Vanderbilt Cup seats 24 Gornardized 25 Henry on trumpet 26 High excitement 27 Diminish 28 Chicago eleven 29 British rule 31 India 30 Targets of 61 Across 31 Be rude, in a way 32 Ecclesiastical assembly 35 Substantial 38 "Rosenkavalier" 40 Nominee's important supporter 43 Veranda 45 Trouble 46 Modern sculptor 50 Masthead entry 52 Nueve menos dos 53 Served a winner 54 Brazilian river 55 Nabokov opus 56 Poet Milay 57 Hultaballoo 58 S. Alcan lily 60 Hunger for 62 Tanager, neighbor

Word puzzle grid with letters and numbers for solving.

BEETLE BAILEY

Comic strip panel featuring Beetle Bailey and his dog Otto.

DOONESBURY

Comic strip panel featuring the Doonesbury characters.

JUMBLE

Word game section with a grid of letters and instructions.

WIZARD OF ID

Comic strip panel featuring the Wizard of Id characters.

ANDY CAPP

Comic strip panel featuring Andy Capp.

REX MORGAN

Comic strip panel featuring Rex Morgan.

GARFIELD

Comic strip panel featuring Garfield and Odie.

Advertisement for Goldstar VCRs and TVs.

Advertisement for West Germany's land of quality craftsmanship.

SPORTS

Steve Jones: Alone in a Moment of Triumph



Grete Waitz and Steve Jones, bedecked in laurel leaves, exchanged a kiss after their victories in the New York City Marathon.

By Michael Martinez
New York Times Service
NEW YORK — By the time he had crossed back into Central Park and turned the corner that led to the finish line, Steve Jones was all alone, passing the faces that lined the last few hundred yards. Still, he looked once over his left shoulder, once over his right.
No one. Finally, the runner from Wales allowed himself to smile, to raise a fist in triumph.
He had paced himself at the start, then caught the leaders at the halfway point and passed them with little effort. And he never slowed, winning Sunday's New York City Marathon in 2 hours, 8 minutes, 20 seconds, the second-fastest time for the event and but 7 seconds short of Alberto Salazar's 1981 record — which was run over a course that was 43 yards (39 meters) short.
To run 2:08 on that course is incredible, said John Treacy of Ireland, the third-place finisher. "It's comparable to running a 2:06 at Rotterdam in April by Belgian Dezaime of Ethiopia."

Redskins Top Saints When One Kick Is Good, Another Fails



Anthony Toney ran into a maze of unhelpful hands gaining two yards against the Los Angeles Rams, but Philadelphia won, 30-24.

Compiled by Our Staff From Dispatches
WASHINGTON — There was every reason to believe that whichever team had the ball last would walk away the winner. And so the game ended, with Doug Williams kneeling, four seconds left to play and time expiring.
The Washington Redskins had the ball last, and they beat the New Orleans Saints, 27-24.
Chip Lohmiller, in his first National Football League season, had kicked a 23-yard field goal with 47 seconds left to give the Redskins the victory and keep them a game behind the New York Giants in the National Conference East.
The Saints were left hanging on the foot of Morten Anderson, a powerful kicker who earlier had booted a career-long 55-yard field goal. But with nine seconds left, his 49-yard attempt to tie the score had drifted right and short.
The Redskins' fifth straight triumph at home over the Saints ended their road winning streak at 10. Williams completed 20 of 28 passes for 299 yards and two touchdowns, with Gary Clark and Ricky Sanders each scoring a touchdown. Sanders made five catches for 98 yards and Clark six for 75 yards.
Not to be outdone was the Saints' Eric Martin, who caught a game-high 10 passes from Bobby Hebert for 146 yards and a touchdown. Hebert was 19 of 33 passing for 279 yards and two touchdowns.

Waitz: Unprecedented No. 9

New York Times Service
NEW YORK — Grete Waitz's victory Sunday in the women's division was her ninth in the New York City Marathon, an apparently unprecedented number for one competition.
According to race officials, the Norwegian runner surpassed the record of eight victories set by John J. Kelley in the national Amateur Athletic Union championship at Yonkers from 1956 through 1963, and tied by Demeitrio Chapanillas in The Desert News Marathon in Salt Lake City from 1976 through 1984.
Waitz, 35, posted her ninth less than three months after arthroscopic knee surgery. That runner's nightmare — Did Not Finish; an experience Waitz had known once before in New York, and in the Olympic marathon Sept. 23 — this time struck Priscilla Welch of Britain, the 1987 women's champion who had overcome four stress fractures this year. She was forced to drop out in the 16th mile because of an injury to her left shoulder.

Niemczak Finishes 18th

Antoni Niemczak of Poland, who was suspended for testing positive for an anabolic steroid after placing second in the 1986 marathon, placed 18th Sunday in his first race since the suspension. The Associated Press reported.
Niemczak's time of 2:16:5 was nearly 5 minutes slower than his clocking of 2:11:21 two years ago.

Somewhere Out There, That Last Marathoner Struggles Onward, to Finish Sometime

By Ira Berkow
New York Times Service
NEW YORK — At the moment that Steve Jones hastened across the finish line first in the New York City Marathon, his hair damp with sweat, his strong legs pumping, the crowd in sun-dappled Central Park cheering, the flags waving, the balloons floating — someone somewhere was dead last.
At that very moment, someone somewhere was about 23,000th at 12:54 Sunday afternoon, precisely 2 hours, 8 minutes, 20 seconds from the time Jones and the rest of the runners heard the cannon fired on the Staten Island side of the Verrazano-Narrows Bridge and took off for their 26-mile, 385-yard run.
Who was that someone and where was he or she?
"No one," shorts for sure, but it's probably someone in Bermuda's knots or something, and he or she isn't running; they're most likely walking," said Allan Steinfield, a race coordinator for the sponsoring Road Runners Club, and in charge of the command center at the finish line. "Maybe he's somewhere around the Pulaski Bridge — that's the border of Brooklyn and Queens — and about halfway from the finish."

And some 20 minutes after Jones, someone somewhere was making it up a street in Brooklyn or Queens, last in the big race. Making his way on the sidewalk, presumably, because the streets closed to traffic for the race were now being reopened.
And the person who's last probably has money in his pocket in case of any problems," said Steinfield. "Maybe they'll want to stop to get something to drink, since the water stations have probably all closed."
And when so many runners were stumbling, straining, gasping and moaning as they crossed the finish line, and as medics hurried over to pile runners onto stretchers and pour water over their heads and into their gaping mouths, while all this was going on, the last, lone marathoner was out there in the great unknown, maybe taking a coffee break on a curb.
"AA few years ago, I got out from the police at about 10:30 at night that a woman was found running on a sidewalk in upper Manhattan and wearing a trash bag," said David Herscher, a press liaison for the race. "She said she was in the race. And it was true. She had put on the trash bag because she was freezing. But she was intent on finishing.
"Sometimes," he said, "you never know who's out there."

One runner, an assistant district attorney in Brooklyn, plagued Herscher. He had an unquenchable desire to finish last. "He'd stop in a deli to get something to eat, or he'd go home to Forest Hills for a nap," said Herscher. "For two straight years he thought he'd come in last, only to find out there was someone behind him. Finally, in his third marathon, he succeeded. He was last, and he never ran again."
All along the running route, spectators stood and cheered the runners. There were numerous signs, some homemade, some factory-made. The homemade ones often said things like "Go Papa," or "Pat and Stephen, Bay Ridge Loves You," and "Max, Herzlich Willkommen," which means heavy welcome in German to a guy or girl named Max.
Maybe it was Max or Pat or Stephen or even Papa who represented the final remnant of the pack, and who would be eager to receive such support, if only they hadn't gone home for supper before he arrived on the scene.
Along the route were numerous disabled participants. They had been anywhere from 6:30 to 8:30 in the morning, to get a head start on the masses that soon would be pounding toward them. As Jones, wearing No. 2, and Waitz, No. F4, and the rest of the

racers charged up the city streets in the early part of the race, a man was pushing backward in a wheel chair up Fourth Avenue in Brooklyn. He was one of the disabled participants, No. V72, and he was straining, as the crowd applauded his effort.
At Fulton and Lafayette a man, M540, with one leg of flesh and bone and one leg of steel, hopped along. A few blocks ahead, a woman on crutches, K841, doggedly passed the corner of Broadway and Bedford.
Two years ago, a guy with no feet, and pushing on a little piece of wood, came in last. On Wednesday, 81 hours and some change after the winner," said Herscher. "The next year, he came in last again, though he bettered his time by a few minutes."
That man wasn't in the race this year. "Someone told me he did the Ironman Triathlon last month," said Herscher, "and that wiped him out."
More and more people came topping past the finish line. Some runners were carried away by volunteers. Others were able to tumble into the grass on their own power.
Meanwhile, someone somewhere was dead last in the great race, and would cross the finish line in the dark of night. Or light of day, though which day, or which night, no one could be certain.
(NYT, AP, UP)

SCOREBOARD

Table with columns for Hockey (NHL Standings) and Football (NFL Standings). It lists various teams and their records.

Table with columns for Football (College Standings). It lists various college teams and their records.

Table with columns for Football (Ivy League Standings). It lists Ivy League teams and their records.

Table with columns for Football (All-American Standings). It lists All-American teams and their records.

Bowl Time Nears, Born on Waves of Big Bucks

By Gordon S. White Jr.
New York Times Service
NEW YORK — The Sunbelt Fiesta Bowl's executive director, Bruce Skinner, said Sunday he felt confident of marching up Notre Dame and West Virginia for a U.S. college football championship game despite the Mazda Gator Bowl's willingness to increase its purse to \$3 million per team for such a contest.
"Exposure and weather," Skinner said, "are the key."

Day. No other bowl game is set for Jan. 2 and that day's two National Football League playoff games are to be played in the afternoon.
The Fiesta Bowl, however, will go head-to-head against the Rose Bowl, televised by ABC.
Notre Dame (9-0), ranked No. 1 in the two news agency polls, and West Virginia (9-0), No. 4, will, as all other teams involved, receive and accept or reject official bowl invitations Nov. 19. The Irish, idle this week, play Penn State that day.

TENNIS

WOMEN'S TOURNAMENT
(Worcester, Massachusetts)
Final
Martina Navratilova, U.S., 11, def. Natalia Zvereva, Soviet Union, 6-7 (4-6), 6-4, 6-3.

TRANSITION

NATIONAL LEAGUE
ST. LOUIS — Agreed to terms with Ken Doerflinger, pitcher, on two-year contract.

TRACK & FIELD

New York City Marathon
MEN
1. Steve Jones, Wales, 2 hours, 8 minutes, 20 seconds.

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(Continued from Back Page)
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GOLF

Top Golfers in the PGA TOUR
which ended Sunday on the par-72, 7,719-yard Shinnecock Hills in Southampton, N.Y.

BASEBALL

NATIONAL LEAGUE
ST. LOUIS — Agreed to terms with Ken Doerflinger, pitcher, on two-year contract.

BASEBALL

AMERICAN LEAGUE
NEW YORK — Agreed to terms with Ken Doerflinger, pitcher, on two-year contract.

Advertisement for Essential Electronics, featuring various electronic products and services.

ART BUCHWALD

Out on the Street

WASHINGTON — The election was over and all the campaign staffers had been laid off. I stood by the gate as they poured out of sleaze headquarters holding their pink slips.

"What are you going to do now?" I asked a dazed worker.

"I don't know," he replied. "I've been offered a job making cheap shots for the private sector."

"You manufactured cheap shots for the presidential campaign?"

"I was the best. I took plastic ACLU cards and turned them into Saturday-night specials."

"It was a winner," I said. "Were you the one who polished up half-truths to produce the specter of crime in the streets?"

"I ran the whole assembly line. They gave me a \$100 bonus for inventing a faster way of making unsubstantiated charges. I also designed the 'L' word which scared the hell out of the South. No one ever did understand what the big 'L' really was, but it became a more important symbol than burning the American flag."

"I'm surprised that they fired you. Won't the candidate need cheap shots when he gets into office?"

"Apparently not, but in my opinion he is going to miss the sleaze factor, especially when he doesn't get what he wants from Congress."

A second man came up. "Did you make cheap shots also?" I asked him.

"No, I was in charge of taking the low road. Whenever the political campaign decided to take the low road, I produced something to enable them to do exactly that. For example, we leaked the story that an opponent had suffered from mental illness. Then we had our headquarters say they had nothing to do with releasing it, which gave the story a further shove. We followed that up by announcing we could neither confirm nor deny the story, and so were unable to comment on it."

"Is that the furthest you sunk?"

"No, I think the lowest was when we sent the press a photo showing the girlfriend of their candidate secretly doing Jane Fonda exercises."

"Did you have permission?"

"When you make cheap shots you don't need permission."

"Whatever they paid you wasn't nearly enough."

"It was a living. But now I'm out on the street. Nobody cares about a maddening once the fighting is over."

By now hundreds of people were pouring out of the factory.

One lady said, "We've risked our health manufacturing negative charges and then they dump us out in the cold."

"There is just so much sleaze you can produce in an election campaign," I reminded her.

"I didn't make sleaze. I wrote scurrilous lies."

"You did? Such as?"

"I invented the one which said that, if elected, our opponent would shoot any gray whale which had escaped from the Arctic Circle."

"I heard that one but I didn't believe it," I said.

"I was also in charge of distorting the opposition's stand on defense. When it came off the production line it looked like a Polish sausage."

"You shouldn't have lost your job," I remarked.

"I guess it's part of the game. You lie, cheat and steal for the candidate, but then when he wins he doesn't know you and goes around telling everyone he is really a kinder, gentler person."



Buchwald

Filmmaker Schepisi Puts Gossip on Trial

By Sonia Taitz
New York Times Service

"I DIDN'T have the national obsession with this case," says Fred Schepisi, talking about his new film, "A Cry in the Dark." The nation in question is Australia, the director's native land. The case is that of Lindy Chamberlain, accused of decapitating her infant daughter, Azaria, during a camping trip in 1980 to Ayers Rock, a popular tourist (and sacred aboriginal) site in the Northern Territory.

Lindy Chamberlain claimed that a dingo—a small, wild member of the canine family—did it, thus insulating a national mascot and sparking the controversy that roars with life to this day. Though cleared by the first inquest, Chamberlain was eventually convicted of murder and, though pregnant, sentenced to life imprisonment. Her husband, Michael, convicted as an accessory to the crime, was allowed to stay home with their two sons and, after her birth within prison walls, a new daughter.

"I was quite taken back on my visits to Australia at the vehemence with which people held opinions," says Schepisi, whose international films include the British "Plenty" and the American "Barbarosa" and "Roxanne." A few years ago, after reading "Evil Angels," John Bryson's study of the case, the director jumped into the fray: "I got quite angry, really outraged that these people were ever brought to trial. The public had a demand that was catered to by the media and the courts. I don't think that's a particularly Australian phenomenon. I think that mentality exists in all of us, in every country."

Despite initial hesitation about how to present the complex facts of the case, Schepisi, buoyed by the passionate interest of Meryl Streep, decided to make the movie.

"A wash of emotion came over me," says Streep, describing how she felt upon reading the first draft of the screenplay. Like Chamberlain, Streep is a mother of three children. "This is the deepest sacrifice, the fear that your mother would kill you, or that you could kill your own child. I wasn't able to admit into even the consideration of doing



Fred Schepisi (his head in mosquito net) directing Sam Neill and Meryl Streep as the Chamberlains in "A Cry in the Dark."

this film my most present feelings about it. I was so loaded for this part! The last thing I thought about, ever, on a shooting day, was my own children."

Lindy Chamberlain lent the actress the Bible that had seen her through jail, complete with heartfelt annotations. "So I had a glimpse," says Streep, "of what kept her together."

The actress was also affected by the fact that the Chamberlains were vilified by press and public largely because of how they presented themselves. By all accounts, the Chamberlains looked and sounded odd on camera. They were pious Seventh Day Adventists, a pastor and his wife, whose controlled expressions of grief seemed suspicious to their countrymen. Michael's sententious pronouncements on the afterlife and Lindy's nasal, drawing lectures on what did and did not happen at the Rock were more than irritating. They were dangerous, fatal.

Streep's strong dramatic instincts helped Schepisi master the overwhelming crush of detail involved with the case. "With Meryl aboard," he says, "I had a real brain as a collaborator. She's intuitive, incisive, intelligent. And simpler than myself."

For the actress, "there was an advantage in coming to this from the United States and knowing

nothing," I said to Fred. "You know all this, but at some point, we have to have a scene where we tell people what the Crown case is." And so he said, "Well, write it."

Streep ended up writing the scene in which Lindy scathingly reiterates the prosecution's theory that, within the span of 8 to 10 minutes, she changed into her murder garb (and back out of it), swept baby Azaria into the family van, cut off her head (with nail scissors), cleaned the murder instrument (but not the car), made fake dingo paw marks around the infant's tent, and returned to the campsite to serve baked beans to her son.

Why the Crown's far-fetched, motiveless case was broadly and persistently believed (the conviction was overturned only this past September) is a complex question, according to Schepisi. He proposed several answers: "My feeling is that there's a deep-seated need in every one of us to reveal in evil. It's something that we keep very well suppressed. If you can experience it in a heuristic way—as in the trial of a purportedly bloodthirsty mother—you get to know what evil is, but you don't get burned by it. And you don't actually do it, so therefore you're absolved of any guilt."

To the aborigines, whose testimony was largely ignored at trial, the murder of a baby by a dingo

was far from mysterious; they'd seen it happen for generations.

What started all the talk about infanticide, says Schepisi, was not the press but the public itself. "An Australian doctor sent a letter from two and a half thousand miles away, saying that Azaria meant 'sacrifice in the wilderness.' This was part of a list of rumors about the Chamberlains, which went out immediately on the police radio, into the trucks' CB radios, all around Australia in one day. Then it was picked up by the media, and expanded. So is the media at fault, or is it catering to our needs?"

"It's very important to make a distinction between the press as such and certain elements of the press," added Sam Neill, who plays Michael Chamberlain. "It's not some sort of amorphous, generalized body that acts in a concerted manner. The tabloid press, and the tabloid mentality that you see on a lot of television news, is very different from proper investigative journalism which is crucial for any healthy, free society."

It was probably the tabloid press that besieged Meryl Streep, both on the set and at her home outside Melbourne. "The combination of Meryl and Lindy, who is the most notorious woman in Australia, was an absolute gift for the press. Meryl was thrilled, as you can imagine," was the mordant conclusion of Neill, who is

best known for his more dashing role as the hero of "Reilly, Ace of Spies."

Streep glumly mentioned one such press encounter. "I invited Lindy to my house for supper. She travels by night in unmarked cars, by the way, with other people driving. No press was invited to that interview, so they made something up that has followed me here in numerous publications." The reports suggested that Streep was planning a sympathetic portrayal until the meeting with Chamberlain changed her mind.

"I spoke to her about this story, and she said, 'Oh, I know it. Now you're getting a taste of what it's like.' And I said, 'I deal with this at home too.' I was hitching and mooning to her about being a famous person, and she said, 'Yes, Meryl, you're famous and I'm infamous, and there's a real difference.'"

"There's a segment of the population for whom she is entertainment," continued Streep, "and it's not in their best interest to believe her. I don't mean entertainment like he has, I mean titillation. I mean," she said, imitating a high-pitched Australian gossip, "it's so weird, isn't it? Isn't she weird? At some point I said to Lindy, 'We're going to do the best we can in the film to tell the story, but there are people who will never be convinced, and they're not worth convincing.'"

PEOPLE

Glasnost Has Its Effect On Soviet Arts Awards

Writers and filmmakers on the cutting edge of Soviet President Mikhail S. Gorbachev's glasnost policy were 1988 winners of State Prizes, top artistic awards, the Tass news agency said. Tass said the writer Vladimir Dudintsev won a State Prize for his novel "White Clothes," a story about repression of scientists in the Soviet Union. Other winners included the makers of the film "Is It Easy to be Young?" which has gained enormous popularity for its discussion of youth problems, and the film crew from Kiev that made the documentary "Chernobyl, the Chronology of the Hard Weeks," portraying the nuclear power accident in April 1986, and its consequences.

Maybe he's no Jack Kennedy, but Dan Quayle looks good in a suit, according to the Tailors Council of America, which chose the Republican vice presidential candidate as the best dressed man in politics. "Although Quayle may have been criticized in many areas, his choice of wardrobe is above criticism," said Jack Taylor, council president. Others chosen were the actor Eddie Murphy, the hockey star Wayne Gretzky, Chrysler Chairman Lee Iacocca, the comedian Don Rickles, the game-show host Monty Hall and the ABC anchorman Peter Jennings.

The complete films of Milos Forman, Oscar-winning director of "One Flew Over the Cuckoo's Nest" and "Amadeus," are being bought for distribution in Czechoslovakia 20 years after he left his native land. A report in the Communist Party daily Rude Pravo announced the purchase. "It is great that they will show his films at last. I just don't know why they couldn't do so before," said the actress Vera Kreslavova, Forman's first wife and mother of his twin sons.

The former daredevil Robert (Evel) Knievel and his wife, Linda, owe the U.S. government more than \$5.3 million in taxes and penalties for the years 1972-76, a federal judge says. Papers filed by the government in 1987 said the Knievels were \$4.8 million in arrears in taxes, interest and penalties. U.S. District Judge Paul Hatfield in Great Falls, Montana, approved the claim when the Knievels failed to file an answer.



P R O G R A M M E

11:00 a.m. - 12:30 p.m.: CONFERENCES IN THE GRAND AUDITORIUM

- Opening of the Convention CGE'88 by Pierre SUARD Chairman and CEO
- CGE's world-wide expansion
- Decentralisation of the Group's structure
- Question and answer session

For organisational reasons, please be kind enough to occupy the same seat during the afternoon working session, noting both the number of your chair and the letter of your row. Personal belongings may be left in the conference hall in complete safety during the lunch break.

LUNCH IN THE SALONS CONCORDE

Level 7 of the Palais des Congrès. Access by the escalators on either side of the hall at level 3. You must show your badge at the entrance.

2:15 p.m. - 4:30 p.m.: CONFERENCES IN THE GRAND AUDITORIUM

- Research & Development synergy within the Group
- CGE past and future challenges
- Replies to written questions
- Closing speech by Pierre SUARD

From 4:30 p.m. onwards: FAREWELL COCKTAIL

A time to relax, to exchange ideas and to enjoy fine food... Salons Concorde - Level 7

TOPICS OF THE CONVENTION

CGE's WORLD-WIDE EXPANSION SITUATION AND OBJECTIVES

What is CGE's international strategy? What position do the different CGE subsidiaries occupy in their respective markets? What ground still has to be covered? Pierre SUARD accompanied by some of the closest members of his team will answer these questions which are vital for the future of the Group. On-the-spot accounts of the international situation will be given by directors from some European and Asian subsidiaries.

DECENTRALISATION OF THE GROUP'S STRUCTURE SYNERGY AND AUTONOMY: A PARADOX?

Decentralisation is the keyword of the CGE organisation. Is this policy holding back the creation of a group spirit? What is the role of headquarters? Where does the autonomy of the subsidiaries begin and end? Why favour employee share holding? A critical in-depth examination of CGE's everyday operations including its strong points but not forgetting the offkey items. This debate will be followed by a question and answer session.

RESEARCH AND DEVELOPMENT SYNERGY WITHIN THE GROUP RESEARCH, THE KEY TO THE FUTURE

It is obvious: there can be no future without a policy of a clear, powerful and efficient research programme. The main people in charge of the company's research and development programme will explain the policy that they are to initiate, and will report on their strategy, their actions and their objectives. A brief but complete glimpse of how the Group is preparing its technological future.

CGE: PAST AND FUTURE CHALLENGES PASSPORT FOR TOMORROW

Past, present and future: in ninety years of existence, CGE has always known how to adapt to its economic environment in order to rise to the very top international ranks in the major sectors of activity of its subsidiaries. The single European market, the emergence of new competitors world-wide, the big financial and industrial manoeuvres now taking place in all the major industrialised countries are challenges which the Group must take up now, in order to keep its place at the forefront in tomorrow's world. As part of this topic, Pierre SUARD will explain his objectives in terms of profitability and competitiveness as well as his financial and industrial strategy for CGE, answering written questions from the Convention's attendees.

